

# **Comprehensive Annual Financial Report**

of the

Egg Harbor City Board of Education

Egg Harbor City, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

Egg Harbor City Board of Education

Finance Department



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## **Introductory Section**

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# Egg Harbor City Public Schools

## BOARD OF EDUCATION OFFICES

730 Havana Avenue  
Egg Harbor City, NJ 08215  
Phone: 609-965-1034  
Fax: 609-965-6719

ADRIENNE SHULBY  
Superintendent of Schools

JOSEPH SMURLO  
Business Administrator

January 24, 2019

Citizens, Honorable President and  
Members of the Board of Education  
Egg Harbor City School District  
Atlantic County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Egg Harbor City School District (District) for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and accounting groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis, basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the *Single Audit Act of 1996, and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Egg Harbor City School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Egg Harbor City Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K–8. These include regular, as well as special education for handicapped students. The District completed the 2017-2018 fiscal year with an average enrollment of 539 students, which is 44 students more than the previous year's enrollment.

The following details the changes in the student enrollment of the District over the last five years.

**Average Daily  
Enrollment**

| <b>Fiscal</b> | <b>Student</b>    | <b>Percent</b> |
|---------------|-------------------|----------------|
| <u>Year</u>   | <u>Enrollment</u> | <u>Change</u>  |
| 2017-2018     | 539               | 8.88%          |
| 2016-2017     | 495               | (3.23%)        |
| 2015-2016     | 511               | 1.17%          |
| 2014-2015     | 505               | 2.44%          |
| 2013-2014     | 493               | 0.40%          |

**2) ECONOMIC CONDITION AND OUTLOOK:** The Egg Harbor City School District consists of two schools. The Egg Harbor City Community School, which houses students in Grades 4 through 8, was opened to students in January 2011. The Charles L. Spragg School, which houses students in Grades PreK through 3, was originally built in 1955 with additions and renovations in 1994 and 2010. A roof and HVAC replacement, funded by a NJ Schools Development Authority ROD Grant, was completed in April 2015. In addition, Egg Harbor City is part of the Greater Egg Harbor Regional High School District which encompasses several municipalities in the surrounding area. The Greater Egg Harbor Regional High School District consists of three high schools, the most recently constructed being the Cedar Creek High School which is located in Egg Harbor City and opened to students in the fall of 2010. The increased traffic due to the growth of the student population at the school has been a benefit to the local economy.

In 2010 the City appointed Conifer LLC as the Redeveloper for a senior housing complex with approximately 100 age-restricted units to be built on the site of the former Fanny D. Rittenberg School. The construction of the complex, called Rittenberg Manor, was completed in May 2015 and is now fully occupied.

The Egg Harbor City government has completed the revised Master Plan and is working hard to bring new opportunities to the City. Several new businesses have opened in the City in the past year, and the City received a \$723,000 grant to install a bike lane along Philadelphia Avenue from Diesterweg Street to the Egg Harbor City Lake.

After several years of flat funding, the district received an increase of \$265,000.00 in State Aid for the 2018-2019 school year. Recent legislation will redistribute hundreds of millions of dollars in public school aid in New Jersey each year from districts receiving more than the funding formula calls for to districts that have been shorted. The Egg Harbor City School District expects to see continued increases in State Aid until it is gradually brought up to full funding. The District also receives Federal funding for a Preschool Expansion Grant in the amount of \$221,963.00.

The district enjoys strong relationships with social service agencies, and a variety of organizations and parent groups, key to fulfilling another board goal, to engage the community in the public schools. Among groups that have become involved with our programs are the district's Parent Teacher Organization and Education Foundation, Inc. Support also comes from Egg Harbor City Council, the Municipal Alliance, Atlantic County Family Services, the NJ Division of Child Protection and Permanency, the Coalition for a Safe Community, and City and County law enforcement agencies. In addition, student programs receive support from AtlantiCare Health System, the Crusaders athletic organization, and faith-based organizations such as the Moravian Church, which operates the local food pantry to which our students contribute and volunteer.

Continued growth and opportunity are the future of Egg Harbor City.

**3) INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these

objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by the District management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management. Each month a printout is given of all funds available, expenditures against those funds and the balance available to spend.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

**4) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2018.

**5) ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

**6) DEBT ADMINISTRATION:** At June 30, 2018, the District's outstanding debt issues included \$7,350,000.00 of general obligation bonds.

**7) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act

**8) RISK MANAGEMENT:** Egg Harbor City Board of Education is a member of the Atlantic Cape May Counties School Business Officials Joint Insurance Fund (ACCASBOJIF). This fund was formed under the provisions of N.J.S.A. 18A:18B 1-10. The Fund commenced operations on July 1, 1991 with sixteen member districts from Atlantic and Cape May counties. The Fund provided average savings of 13% for members as compared to their previous insurance. In 1993 ACCASBOJIF entered into a joint purchase agreement with Burlington County Insurance Pool to negotiate additional discounts for their members. This effort resulted in additional savings of over \$300,000 to ACCASBOJIF members.

The ACCASBOJIF provides members with a long term alternative to the conventional insurance marketplace and is a means of stabilizing the otherwise cyclical nature of insurance expenditures. The Fund provides the following coverage:

1. Property, including buildings, contents, inland marine, crime, boiler and machinery and audit physical damages.
2. General Liability, including school board legal liability.
3. Automobile Liability.
4. Workers' Compensation

The Fund provides coverage to its members either directly or through the commercial insurance market, through one or more of the following vehicles: excess insurance, reinsurance or an excess property and casualty joint insurance fund.

The Fund's mission statement is as follows: "The ACCASBOJIF is committed to unite local school districts in a joint effort to better manage their risks and assure fiscal stability by providing cost-effective, comprehensive insurance coverage and minimizing losses through pro-active membership involvement in claims management and loss prevention activities."

**9) OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C., CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, and related Uniform Guidance and New Jersey OMB Circular 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**10) ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Egg Harbor City Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

*Adrienne Shulby*

Adrienne Shulby  
Superintendent

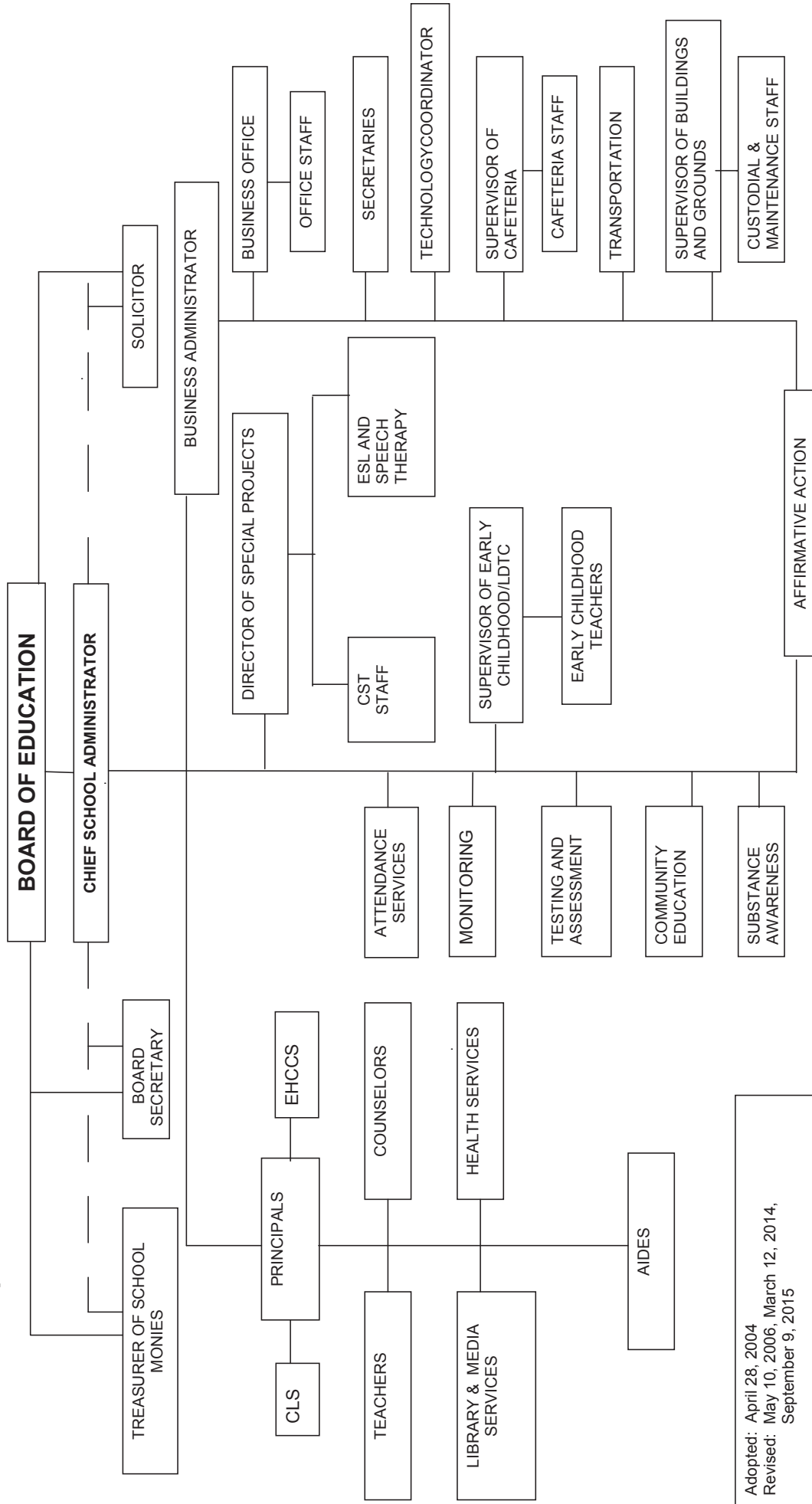
*Joseph Smurlo*

Joseph Smurlo  
School Business Administrator

# Egg Harbor City Board of Education

## ORGANIZATIONAL CHART

Policy



Adopted: April 28, 2004  
 Revised: May 10, 2006, March 12, 2014,  
 September 9, 2015

**EGG HARBOR CITY BOARD OF EDUCATION**

**EGG HARBOR CITY, NEW JERSEY**

**ROSTER OF OFFICIALS**

June 30, 2018

| <b><u>Members of the Board of Education</u></b> | <b><u>Term Expires</u></b> |
|---|----------------------------|
| Stephen Bouchard, President                     | 2021                       |
| Janine Caudo, Vice-President                    | 2020                       |
| James Guercion III                              | 2019                       |
| Stephen Murphy                                  | 2020                       |
| Steve Ortiz                                     | 2019                       |
| Mary Ann Rogers                                 | 2021                       |
| Dana Seaver                                     | 2019                       |

**Other Officials**

Adrienne K. Shulby, Superintendent of Schools

Joseph Smurlo, School Business Administrator

Maryanne Shupin, Board Secretary

Susan Palaia, CPA, Treasurer

Ronald Sahli, Esq., Solicitor

**EGG HARBOR CITY BOARD OF EDUCATION  
Consultants and Advisors**

**Architect**

Becica Associates, LLC  
500 S. Kings Highway  
Cherry Hill, NJ 08034

**Audit Firm**

Ford Scott & Associates, LLC  
Certified Public Accountants  
1535 Haven Ave  
Ocean City, NJ 08226

**Attorney**

Sahli & Padovani, Attorneys at Law  
503 White Horse Pike  
Hammonton, NJ 08037

**Official Depositories**

Ocean First Bank  
975 Hooper Avenue  
Toms River, NJ 08753

**Health Benefits Broker**

Cynergy Group  
320 S. Egg Harbor Road  
Hammonton, NJ 08037

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## **Financial Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## **Independent Auditor's Report**

Honorable President and  
Members of the Board of Education  
Egg Harbor City School District  
County of Atlantic, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor City School District, Egg Harbor City, New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor City School District, Egg Harbor City, New Jersey, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Required Supplementary Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Egg Harbor City School District's basic financial statements. The introductory section, combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the schedule of state financial assistance as required by *NJ OMB 15-08*, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements, and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the schedule of state financial assistance as required by *NJ OMB 15-08*, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and the schedule of state financial assistance as required by *NJ OMB 15-08*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2019 on our consideration of the Egg Harbor City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Egg Harbor City School District's internal control over financial reporting and compliance.

Very truly yours,

*Ford, Scott & Associates, L.L.C.*

**FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

**Leon P. Costello  
Certified Public Accountant  
Licensed Public School Accountant  
No. 767**

**January 24, 2019**

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**Required Supplemental Information  
Part I**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Egg Harbor City School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

### FINANCIAL HIGHLIGHTS

- The net position of the District increased compared to the prior year as a result of an excess of revenues over expenses.
- The State of New Jersey reimbursed the District \$298,930.41 during the fiscal year ended June 30, 2018 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. Also the State paid \$1,923,563.00 on behalf of the District for TPAF Pension Contributions and OPEB, including post-retirement medical and long-term disability insurance. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to the greater of \$250,000.00 or 2% of the total general fund expenditures. Any excess is required to be designated as Restricted Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2018 the District had excess surplus in the amount of \$1,096,250.82 of which \$524,452.78 has been appropriated and included as anticipated revenue in the 2019 fiscal year budget. This is compared to the prior year excess surplus of \$906,398.27 of which \$381,945.49 was budgeted in the 2018 fiscal year budget.
- During the fiscal year ended June 30, 2018, the District's governmental fund revenue realized were \$295,193.05 more than total expenditures. This increase can be attributed to unanticipated revenue and controls over spending, in particular employee health benefits.
- In the District's business-type activities, net position decreased \$1,713.58 during the 2018 fiscal year compared to a \$20,749.75 decrease in fiscal year 2017. This improvement in operations can be attributed to an increase in the number of free meals and breakfasts served. The reimbursement rate is much higher for these meals than if the student pays full price.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.
  - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
  - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the District operates like businesses, such as the food service program.
  - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

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**Figure A-1  
Major Features of the Egg Harbor City Board of Education's  
Government-wide and Fund Financial Statements**

|   | Government wide<br>Statements   | Fund Statements  |  |  |
|---|---|--|--|--|
|   |   | Governmental<br>Funds  | Proprietary<br>Funds   | Fiduciary<br>Funds   |
| Scope   | Entire District<br>(except fiduciary<br>funds)  | The activities of<br>the District that<br>are not<br>proprietary or<br>fiduciary, such as<br>food service and<br>student activities  | Activities the<br>District operates<br>similar to private<br>businesses; food<br>service   | Instances in which<br>the District is the<br>trustee or agent for<br>someone else's<br>resources, such as<br>payroll agency and<br>student activities. |
| Required<br>financial<br>statements             | Statement of net<br>position<br><br>Statement of<br>activities                                      | Balance sheet<br><br>Statement of<br>revenues,<br>expenditures,<br>and changes in<br>fund balances   | Statement of net<br>position<br><br>Statement of<br>revenues,<br>expenses, and<br>changes in net<br>position<br><br>Statement of<br>cash flows | Statement of<br>fiduciary net position<br><br>Statement of<br>changes in fiduciary<br>net position   |
| Accounting basis<br>and<br>measurement<br>focus | Accrual accounting<br>and economic<br>resources focus   | Modified accrual<br>accounting and<br>current financial<br>resources focus   | Accrual<br>accounting and<br>economic<br>resources focus   | Accrual accounting<br>and economic<br>resources focus  |
| Type of<br>asset/liability<br>information       | All assets and<br>liabilities, both<br>financial and capital,<br>and short-term and<br>long-term.   | Only assets<br>expected to be<br>used up and<br>liabilities that<br>come due during<br>the year or soon<br>thereafter; no<br>capital assets<br>included.   | All assets and<br>liabilities, both<br>financial and<br>capital, and<br>short-term and<br>long-term.   | All assets and<br>liabilities, both short-<br>term and long-term.  |
| Type of<br>inflow/outflow<br>information        | All revenues and<br>expenses during the<br>year, regardless of<br>when cash is<br>received or paid. | Revenues for<br>which cash is<br>received during<br>or soon after the<br>end of the year;<br>expenditures<br>when goods or<br>services have<br>been received<br>and payment is<br>due during the<br>year or soon<br>thereafter | All revenues and<br>expenses,<br>regardless of<br>when cash is<br>received or paid.  | All revenues and<br>expenses during<br>year, regardless of<br>when cash is<br>received or paid.  |

## Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the District's facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, transportation, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District's food service program is included here.

## Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** The District's governmental activities net position decreased slightly between fiscal years 2017 and 2018 as a result of depreciation expense and the change in the net pension liability. Net position for business-type activities decreased \$1,713.58 during the current fiscal year.

|                                | <u>Governmental Activities</u> |                      | <u>Business-type Activities</u> |                   | <u>Total</u>         |                      |
|--------------------------------|--------------------------------|----------------------|---------------------------------|-------------------|----------------------|----------------------|
|                                | <u>2018</u>                    | <u>2017</u>          | <u>2018</u>                     | <u>2017</u>       | <u>2018</u>          | <u>2017</u>          |
| Current and other assets       | \$ 1,955,838.59                | 1,671,938.72         | 90,275.64                       | 88,258.82         | 2,046,114.23         | 1,760,197.54         |
| Capital assets                 | 27,432,218.71                  | 28,258,276.05        | 59,339.20                       | 64,240.80         | 27,491,557.91        | 28,322,516.85        |
| Total assets                   | <u>29,388,057.30</u>           | <u>29,930,214.77</u> | <u>149,614.84</u>               | <u>152,499.62</u> | <u>29,537,672.14</u> | <u>30,082,714.39</u> |
| Deferred outflows of resources | 1,317,846.17                   | 1,510,624.38         | -                               | -                 | 1,317,846.17         | 2,828,470.55         |
| Long-term liabilities          | 10,566,685.05                  | 11,596,311.47        | -                               | -                 | 10,566,685.05        | 11,596,311.47        |
| Other liabilities              | 218,076.72                     | 233,052.61           | 7,767.41                        | 8,938.61          | 225,844.13           | 241,991.22           |
| Total liabilities              | <u>10,784,761.77</u>           | <u>11,829,364.08</u> | <u>7,767.41</u>                 | <u>8,938.61</u>   | <u>10,792,529.18</u> | <u>11,838,302.69</u> |
| Deferred inflows of resources  | 693,188.00                     | 149,496.00           | -                               | -                 | 693,188.00           | 149,496.00           |
| Net Position                   |                                |                      |                                 |                   |                      |                      |
| Invested in capital assets     | 20,082,218.71                  | 20,533,276.05        | 59,339.20                       | 64,240.80         | 20,141,557.91        | 20,597,516.85        |
| Restricted                     | 1,910,777.40                   | 1,695,832.09         |                                 |                   | 1,910,777.40         | 1,695,832.09         |
| Unrestricted                   | (2,765,042.41)                 | (2,767,129.07)       | 82,508.23                       | 79,320.21         | (2,682,534.18)       | (2,687,808.86)       |
| Total net position             | <u>\$ 19,227,953.70</u>        | <u>19,461,979.07</u> | <u>141,847.43</u>               | <u>143,561.01</u> | <u>19,369,801.13</u> | <u>19,605,540.08</u> |

**Changes in net position.** The total governmental fund revenue of the District increased \$481,726.22 compared to amounts recognized in the prior year. This can be attributed to an overall increase in the amounts provided by the State of New Jersey on-behalf of the District for TPAF Pension Contributions and OPEB.

Approximately 38.43% of the District's governmental fund revenue came from the State of New Jersey and Federal Government in the form of unrestricted aid. The state aid is based on the District's enrollment as well as other factors such as legislative funding of the SFRA formula. Egg Harbor City levies property taxes on properties located in the City. This tax is collected by the municipality and remitted to the District. The District expenses are primarily related to instruction, administration, and plant operations.

|                                    | <u>2018</u>             |                   | <u>2017</u>          |                   |
|------------------------------------|-------------------------|-------------------|----------------------|-------------------|
|                                    | <u>Amount</u>           | <u>Percentage</u> | <u>Amount</u>        | <u>Percentage</u> |
| Property Taxes                     | \$ 3,271,626.00         | 23.52%            | 3,195,352.00         | 23.80%            |
| Unrestricted State and Federal Aid | 5,345,151.31            | 38.43%            | 5,320,337.07         | 39.63%            |
| Charges for Services               | 55,273.89               | 0.40%             | 82,932.80            | 0.62%             |
| Operating grants and contributions | 5,207,671.01            | 37.44%            | 4,801,896.82         | 35.76%            |
| Other                              | 28,655.80               | 0.21%             | 26,133.10            | 0.19%             |
| Totals                             | <u>\$ 13,908,378.01</u> | <u>100.00%</u>    | <u>13,426,651.79</u> | <u>100.00%</u>    |

## Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2018 and 2017 fiscal years.

|  | Governmental Activities |                      | Business Activities |                    | Totals               |                      |
|--|-------------------------|----------------------|---------------------|--------------------|----------------------|----------------------|
|  | 2018                    | 2017                 | 2018                | 2017               | 2018                 | 2017                 |
| <b>Revenues</b>  |                         |                      |                     |                    |                      |                      |
| Program Revenue  |                         |                      |                     |                    |                      |                      |
| Charges for services                                     | 55,273.89               | 82,932.80            | 49,933.47           | 49,132.06          | 105,207.36           | 132,064.86           |
| Federal and State grants and Capital Grants entitlements | 5,207,671.01            | 4,801,896.82         | 371,556.54          | 352,639.55         | 5,579,227.55         | 5,154,536.37         |
| General revenues   |                         |                      |                     |                    |                      |                      |
| Property taxes   | 3,271,626.00            | 3,195,352.00         |                     |                    | 3,271,626.00         | 3,195,352.00         |
| Interest   | 2,297.95                | 1,699.88             | 724.44              | 207.79             | 3,022.39             | 1,907.67             |
| State and Federal Aid                                    | 5,345,151.31            | 5,320,337.07         |                     |                    | 5,345,151.31         | 5,320,337.07         |
| Other  | 26,357.85               | 24,433.22            |                     |                    | 26,357.85            | 24,433.22            |
| <b>Total revenues</b>                                    | <u>13,908,378.01</u>    | <u>13,426,651.79</u> | <u>422,214.45</u>   | <u>401,979.40</u>  | <u>14,330,592.46</u> | <u>13,828,631.19</u> |
| <b>Expenses</b>  |                         |                      |                     |                    |                      |                      |
| Instruction:   |                         |                      |                     |                    |                      |                      |
| Regular  | 5,546,755.87            | 5,533,734.75         |                     |                    | 5,546,755.87         | 5,533,734.75         |
| Special Education  | 1,638,532.16            | 1,571,700.81         |                     |                    | 1,638,532.16         | 1,571,700.81         |
| Other Special Instruction                                | 267,498.56              | 315,928.32           |                     |                    | 267,498.56           | 315,928.32           |
| Support services:  |                         |                      |                     |                    |                      |                      |
| Tuition  | 1,184,779.64            | 1,375,369.73         |                     |                    | 1,184,779.64         | 1,375,369.73         |
| Student & instruction related services                   | 2,047,015.10            | 1,896,614.06         |                     |                    | 2,047,015.10         | 1,896,614.06         |
| General administration services                          | 363,649.70              | 360,516.57           |                     |                    | 363,649.70           | 360,516.57           |
| School administration services                           | 444,850.35              | 398,308.13           |                     |                    | 444,850.35           | 398,308.13           |
| Plant operations & maintenance                           | 1,493,193.74            | 1,400,102.71         |                     |                    | 1,493,193.74         | 1,400,102.71         |
| Pupil transportation                                     | 362,397.93              | 346,794.94           |                     |                    | 362,397.93           | 346,794.94           |
| Business and other support services                      | 449,586.70              | 379,548.65           |                     |                    | 449,586.70           | 379,548.65           |
| Interest on long term debt                               | 417,090.35              | 367,930.50           |                     |                    | 417,090.35           | 367,930.50           |
| Other financing (sources)/uses                           | (72,946.72)             | 144,512.33           | (125.00)            |                    | (73,071.72)          | 144,512.33           |
| Business-type activities                                 |                         |                      | 424,053.03          | 422,729.15         | 424,053.03           | 422,729.15           |
| <b>Total expenses</b>                                    | <u>14,142,403.38</u>    | <u>14,091,061.50</u> | <u>423,928.03</u>   | <u>422,729.15</u>  | <u>14,566,331.41</u> | <u>14,513,790.65</u> |
| <b>Increase/(decrease) in net position</b>               | <u>(234,025.37)</u>     | <u>(664,409.71)</u>  | <u>(1,713.58)</u>   | <u>(20,749.75)</u> | <u>(235,738.95)</u>  | <u>(685,159.46)</u>  |

The change in net position from 2017 to 2018 is due to an overall decrease in expenditures, in particular Tuition and Employee Health Benefits.

## Business-type Activities

Operating and non-operating revenues of the District's business-type activities increased \$20,235.05 from the previous year while expenses increased \$1,198.88. Factors contributing to these results included:

- An increase in participation of the school lunch program, in particular free and reduced meals, which resulted in an increase in reimbursements from the Federal Department of Agriculture.
- A slight increase in expenses for food and supplies as a result of an overall increase in costs. The food service management company purchases items through co-ops which helps to keep the costs down.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$1,799,640.48 which is \$295,193.05 higher than in the beginning of the year. This increase can be attributed to a reduction in out of district tuition, employee benefits, and debt service costs.

### General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the County office, and as a Type II School District that has elected to have November elections, requires approval by the voters only when statutory limits are exceeded. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue was \$100,734.92 more than the budgeted amount. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by \$619,678.12.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2018, the District had invested \$27,491,557.91, net of depreciation, in a broad range of capital assets, including land, buildings, vehicles and machinery.

|                          | <b>Governmental<br/>Activities</b> |                      | <b>Business Type<br/>Activities</b> |                  | <b>Total</b>         |                      |
|--------------------------|------------------------------------|----------------------|-------------------------------------|------------------|----------------------|----------------------|
|                          | <b>2018</b>                        | <b>2017</b>          | <b>2018</b>                         | <b>2017</b>      | <b>2018</b>          | <b>2017</b>          |
| Land                     | \$ 1,745,000.00                    | 1,745,000.00         |                                     |                  | 1,745,000.00         | 1,745,000.00         |
| Buildings & Improvments  | 1,603,577.03                       | 1,286,072.85         |                                     |                  | 1,603,577.03         | 1,286,072.85         |
| Machinery & Equipment    | 159,564.68                         | 150,126.20           | 59,339.20                           | 64,240.80        | 218,903.88           | 214,367.00           |
| Construction in progress | 23,924,077.00                      | 25,077,077.00        |                                     |                  | 23,924,077.00        | 25,077,077.00        |
| <b>Total</b>             | <b>\$ 27,432,218.71</b>            | <b>28,258,276.05</b> | <b>59,339.20</b>                    | <b>64,240.80</b> | <b>27,491,557.91</b> | <b>28,322,516.85</b> |

Total aggregate cost basis for the districts capital assets, including construction in progress, as of June 30, 2018 was \$30,845,099.54 million with accumulated depreciation of \$3,353,541.63. More detailed information about the District's capital assets is presented in Note 6 to the financial statements.

## Long-term Debt

|                                | Balance<br>June 30, 2017 | Issued          | Retired             | Balance<br>June 30, 2018 |
|--------------------------------|--------------------------|-----------------|---------------------|--------------------------|
| <b>Governmental Activities</b> |                          |                 |                     |                          |
| Bonds Payable                  | 7,725,000.00             |                 | 375,000.00          | 7,350,000.00             |
| Premium on Bond Refunding      | 247,982.47               |                 | 1,333.92            | 246,648.55               |
| Compensated Absences Payable   | 129,758.00               | 6,747.50        | 38,950.00           | 97,555.50                |
| Net Pension Liability          | 3,493,571.00             |                 | 621,090.00          | 2,872,481.00             |
| Total Governmental Activities  | <u>11,596,311.47</u>     | <u>6,747.50</u> | <u>1,036,373.92</u> | <u>10,566,685.05</u>     |

More detailed information about the District's long-term debt is presented in Note 8 to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Egg Harbor City School District is presently in satisfactory financial condition. Future challenges include stabilizing or increasing student enrollment, flat state aid revenues, and reduced surplus from prior years to offset increases in tax rates.

The school district has been fortunate to receive both State and Federal grants, offering additional resources for teachers assisting students to make increased strides in all instructional areas. For instance, the After School Learning Centers (21<sup>st</sup> Century) grant provided services to students throughout the year to supplement school-day instruction. The 2018/19 school year will be the 4<sup>th</sup> year the District was awarded the Federal Preschool Expansion Grant in the amount of \$221,963. This has allowed the District to improve the Preschool program.

As a result of the City wide revaluation in 2017, the City's ratable base decreased \$24,330,900 in 2018. In recent years it has become the responsibility of homeowners to foot the majority of the tax burden, and there has been a continued influx of families of many nationalities with lower socio-economic backgrounds. A continuation of appropriate teacher/student classroom ratios remains a priority of the administration.

In conclusion, the Egg Harbor City School District has committed itself to financial excellence. In addition, the school district's system for financial planning, budgeting, and internal financial controls are well guarded. The school district plans to continue its sound fiscal management to meet challenges of the future.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it receives. If you have any questions about this report or need additional information, contact Joseph Smurlo, School Business Administrator at the Egg Harbor City Board of Education District Office, 730 Havana Avenue, Egg Harbor City, NJ 08215.



**BASIC FINANCIAL STATEMENTS**

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**DISTRICT - WIDE FINANCIAL STATEMENTS**

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**Egg Harbor City School District**  
**Statement of Net Position**  
**June 30, 2018**

|  | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>         |
|--|------------------------------------|-------------------------------------|----------------------|
| <b>ASSETS</b>                                    |                                    |                                     |                      |
| Cash and cash equivalents                        | \$ 1,558,709.23                    | 56,574.04                           | 1,615,283.27         |
| Restricted cash:                                 |                                    |                                     |                      |
| Cash on deposit with State Development Authority | 291,958.30                         |                                     | 291,958.30           |
| Due from other governments                       | 80,755.17                          | 24,571.81                           | 105,326.98           |
| Other accounts receivable                        | 24,415.89                          | 958.01                              | 25,373.90            |
| Inventory  |                                    | 8,171.78                            | 8,171.78             |
| Capital assets, not depreciated                  | 25,669,077.00                      |                                     | 25,669,077.00        |
| Capital assets, net                              | 1,763,141.71                       | 59,339.20                           | 1,822,480.91         |
| Total Assets                                     | <u>29,388,057.30</u>               | <u>149,614.84</u>                   | <u>29,537,672.14</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>            |                                    |                                     |                      |
| Deferred Outflows Related to Pensions            | 838,901.00                         |                                     | 838,901.00           |
| Loss on Refunding Bonds                          | 478,945.17                         | -                                   | 478,945.17           |
| Total Deferred Outflows of Resources             | <u>1,317,846.17</u>                | <u>-</u>                            | <u>1,317,846.17</u>  |
| <b>LIABILITIES</b>                               |                                    |                                     |                      |
| Accrued interest                                 | 61,878.61                          |                                     | 61,878.61            |
| Accounts payable                                 | 150,622.08                         | 948.10                              | 151,570.18           |
| Unearned revenue                                 | 5,576.03                           | 6,819.31                            | 12,395.34            |
| Noncurrent liabilities:                          |                                    |                                     |                      |
| Due within one year                              | 408,799.97                         |                                     | 408,799.97           |
| Net Pension Liability                            | 2,872,481.00                       |                                     | 2,872,481.00         |
| Due beyond one year                              | 7,285,404.08                       |                                     | 7,285,404.08         |
| Total liabilities                                | <u>10,784,761.77</u>               | <u>7,767.41</u>                     | <u>10,792,529.18</u> |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                                    |                                     |                      |
| Deferred Inflows Related to Pensions             | 693,188.00                         |                                     | 693,188.00           |
| <b>NET POSITION</b>                              |                                    |                                     |                      |
| Net investment in capital assets                 | 20,082,218.71                      | 59,339.20                           | 20,141,557.91        |
| Restricted for:                                  |                                    |                                     |                      |
| Capital Projects                                 | 783,044.95                         |                                     | 783,044.95           |
| Other purposes                                   | 1,127,732.45                       |                                     | 1,127,732.45         |
| Unrestricted                                     | (2,765,042.41)                     | 82,508.23                           | (2,682,534.18)       |
| Total net position                               | <u>\$ 19,227,953.70</u>            | <u>141,847.43</u>                   | <u>19,369,801.13</u> |

The accompanying notes are an integral part of these financial statements

Egg Harbor City School District  
Statement of Activities  
For the Year Ended June 30, 2018

| Functions/Programs   | Expenses         | Indirect Expenses Allocation | Program Revenues     |                                    |                                  |                         | Net (Expense) Revenue and Changes in Net Position |       |                |  |
|--|------------------|------------------------------|----------------------|------------------------------------|----------------------------------|-------------------------|---|-------|----------------|--|
|  |                  |                              | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities                          | Total |                |  |
| Governmental activities:   |                  |                              |                      |                                    |                                  |                         |   |       |                |  |
| Instruction:   |                  |                              |                      |                                    |                                  |                         |   |       |                |  |
| Regular  | 4,158,655.41     | 1,388,100.47                 | 55,273.89            | 2,376,947.91                       |                                  | (3,114,534.08)          |   |       | (3,114,534.08) |  |
| Special education  | 1,157,759.63     | 480,772.53                   |                      | 531,719.10                         |                                  | (1,106,813.06)          |   |       | (1,106,813.06) |  |
| Other special instruction  | 201,757.60       | 65,740.96                    |                      | 72,707.41                          |                                  | (194,791.15)            |   |       | (194,791.15)   |  |
| Support services:  |                  |                              |                      |                                    |                                  |                         |   |       |                |  |
| Tuition  | 917,070.27       | 267,709.37                   |                      | 471,809.03                         |                                  | (712,970.60)            |   |       | (712,970.60)   |  |
| Student & instruction related services                                   | 1,559,353.36     | 487,661.74                   |                      | 1,098,550.94                       |                                  | (947,464.16)            |   |       | (947,464.16)   |  |
| General administrative services  | 229,381.85       | 134,267.85                   |                      | 78,243.00                          |                                  | (285,406.71)            |   |       | (285,406.71)   |  |
| School administrative services   | 288,683.74       | 156,166.61                   |                      | 91,004.24                          |                                  | (353,846.12)            |   |       | (353,846.12)   |  |
| Plant operations and maintenance   | 967,811.18       | 525,382.56                   |                      | 306,160.43                         |                                  | (1,187,033.30)          |   |       | (1,187,033.30) |  |
| Pupil transportation   | 219,046.73       | 143,351.20                   |                      | 83,536.21                          |                                  | (278,861.73)            |   |       | (278,861.73)   |  |
| Business and other support services                                      | 284,859.63       | 164,727.07                   |                      | 95,992.74                          |                                  | (353,593.96)            |   |       | (353,593.96)   |  |
| Unallocated benefits   | 3,813,880.36     | (3,813,880.36)               |                      |                                    |                                  | -                       |   |       | -              |  |
| Interest on long-term debt   | 417,090.34       |                              |                      |                                    |                                  | (417,090.34)            |   |       | (417,090.34)   |  |
| Total governmental activities  | 14,215,350.10    | -                            | 55,273.89            | 5,207,671.01                       | -                                | (8,952,405.20)          |   |       | (8,952,405.20) |  |
| Business-type activities:  |                  |                              |                      |                                    |                                  |                         |   |       |                |  |
| Food Service   | 424,053.03       |                              | 49,933.47            | 371,556.54                         |                                  | (2,563.02)              |   |       | (2,563.02)     |  |
| Total business-type activities   | 424,053.03       |                              | 49,933.47            | 371,556.54                         |                                  | (2,563.02)              |   |       | (2,563.02)     |  |
| Total primary government   | \$ 14,639,403.13 |                              | 105,207.36           | 5,579,227.55                       |                                  | (8,954,968.22)          |   |       | (8,954,968.22) |  |
| General revenues:  |                  |                              |                      |                                    |                                  |                         |   |       |                |  |
| Taxes:   |                  |                              |                      |                                    |                                  |                         |   |       |                |  |
| Property taxes, levied for general purposes, net                         |                  |                              |                      |                                    |                                  | 2,716,683.00            |   |       | 2,716,683.00   |  |
| Taxes levied for debt service  |                  |                              |                      |                                    |                                  | 554,943.00              |   |       | 554,943.00     |  |
| Federal and State aid not restricted                                     |                  |                              |                      |                                    |                                  | 5,345,151.31            |   |       | 5,345,151.31   |  |
| Investment Earnings  |                  |                              |                      |                                    |                                  | 2,297.95                | 724.44  |       | 3,022.39       |  |
| Miscellaneous Income   |                  |                              |                      |                                    |                                  | 26,357.85               |   |       | 26,357.85      |  |
| Special Items:   |                  |                              |                      |                                    |                                  |                         |   |       |                |  |
| Loss on Disposal of Assets   |                  |                              |                      |                                    |                                  | -                       |   |       | -              |  |
| Adjustment to prior year fixed asset balance                             |                  |                              |                      |                                    |                                  | 72,946.72               | 125.00  |       | 73,071.72      |  |
| Transfers in   |                  |                              |                      |                                    |                                  | 121,768.04              |   |       | 121,768.04     |  |
| Transfers out  |                  |                              |                      |                                    |                                  | (121,768.04)            |   |       | (121,768.04)   |  |
| Total general revenues, special items, extraordinary items and transfers |                  |                              |                      |                                    |                                  | 8,718,379.83            | 849.44  |       | 8,719,229.27   |  |
| Change in Net Position   |                  |                              |                      |                                    |                                  | (234,025.37)            | (1,773.58)  |       | (235,798.95)   |  |
| Net Position—beginning   |                  |                              |                      |                                    |                                  | 19,461,979.07           | 143,561.01  |       | 19,605,540.08  |  |
| Net Position—ending  |                  |                              |                      |                                    |                                  | \$ 19,227,953.70        | 141,847.43  |       | 19,369,801.13  |  |

The accompanying notes are an integral part of these financial statements

**FUND FINANCIAL STATEMENTS**

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**Egg Harbor City School District  
Balance Sheet  
Governmental Funds  
June 30, 2018**

|  | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|-------------------------------------|----------------------------------|--------------------------------------|---|
| <b>ASSETS</b>  |                         |                                     |                                  |                                      |   |
| Cash and cash equivalents                                      | \$ 1,243,929.83         | 57,331.25                           | 257,448.15                       |                                      | 1,558,709.23                            |
| Restricted cash  |                         |                                     |                                  |                                      |   |
| Cash on deposit with State Development Authority               |                         |                                     |                                  | 291,958.30                           | 291,958.30                              |
| Due from other funds   |                         |                                     |                                  | 219,682.00                           | 219,682.00                              |
| Receivables from other governments                             | 61,649.36               | 19,105.81                           |                                  |                                      | 80,755.17                               |
| Other receivables  | 24,415.89               |                                     |                                  |                                      | 24,415.89                               |
| Total assets   | <u>1,329,995.08</u>     | <u>76,437.06</u>                    | <u>257,448.15</u>                | <u>511,640.30</u>                    | <u>2,175,520.59</u>                     |
| <b>LIABILITIES AND FUND BALANCES</b>                           |                         |                                     |                                  |                                      |   |
| Liabilities:   |                         |                                     |                                  |                                      |   |
| Accounts payable   | 79,761.05               | 70,861.03                           |                                  |                                      | 150,622.08                              |
| Grant Anticipation Note Payable                                |                         |                                     |                                  |                                      | -                                       |
| Due to other funds   |                         |                                     | 219,682.00                       |                                      | 219,682.00                              |
| Due to other governments                                       |                         |                                     |                                  |                                      | -                                       |
| Unearned revenue   |                         | 5,576.03                            |                                  |                                      | 5,576.03                                |
| Total liabilities  | <u>79,761.05</u>        | <u>76,437.06</u>                    | <u>219,682.00</u>                | <u>-</u>                             | <u>375,880.11</u>                       |
| Fund Balances:   |                         |                                     |                                  |                                      |   |
| Restricted for:  |                         |                                     |                                  |                                      |   |
| Excess surplus   | 571,798.04              |                                     |                                  |                                      | 571,798.04                              |
| Excess surplus - designated for subsequent year's expenditures | 524,452.78              |                                     |                                  |                                      | 524,452.78                              |
| Capital projects fund  |                         |                                     |                                  | 511,640.30                           | 511,640.30                              |
| Committed to:  |                         |                                     |                                  |                                      |   |
| Capital reserve  | 271,404.65              |                                     |                                  |                                      | 271,404.65                              |
| Maintenance reserve  | 31,481.63               |                                     |                                  |                                      | 31,481.63                               |
| Unreserved, reported in:                                       |                         |                                     |                                  |                                      |   |
| General fund   | (148,903.07)            |                                     |                                  |                                      | (148,903.07)                            |
| Special revenue fund   |                         |                                     |                                  |                                      | -                                       |
| Debt service fund  |                         |                                     | 37,766.15                        |                                      | 37,766.15                               |
| Total Fund balances  | <u>1,250,234.03</u>     | <u>-</u>                            | <u>37,766.15</u>                 | <u>511,640.30</u>                    | <u>1,799,640.48</u>                     |
| Total liabilities and fund balances                            | <u>\$ 1,329,995.08</u>  | <u>76,437.06</u>                    | <u>257,448.15</u>                | <u>511,640.30</u>                    |   |

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 27,432,218.71

Accrued interest payments on long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (61,878.61)

Deferred amount on Refunding 478,945.17

Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds (2,726,768.00)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable (7,350,000.00)

Premium on Bond Issue (246,648.55)

Compensated absences (97,555.50)

Net position of governmental activities \$ 19,227,953.70

**Egg Harbor City School District**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

|   | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-------------------------|-------------------------------------|----------------------------------|--------------------------------------|---|
| <b>REVENUES</b>   |                         |                                     |                                  |                                      |   |
| Local tax levy  | \$ 2,716,683.00         |                                     | 554,943.00                       |                                      | 3,271,626.00                            |
| Interest  | 2,297.95                |                                     |                                  | (0.00)                               | 2,297.95                                |
| Miscellaneous   | 81,188.66               | 7,767.61                            | 443.08                           | -                                    | 89,399.35                               |
| State sources   | 6,578,478.41            | 360,300.00                          | -                                |                                      | 6,938,778.41                            |
| Federal sources   | 46,056.31               | 1,209,628.99                        |                                  |                                      | 1,255,685.30                            |
| Total revenues  | <u>9,424,704.33</u>     | <u>1,577,696.60</u>                 | <u>555,386.08</u>                | <u>(0.00)</u>                        | <u>11,557,787.01</u>                    |
| <b>EXPENDITURES</b>   |                         |                                     |                                  |                                      |   |
| Current:  |                         |                                     |                                  |                                      |   |
| Regular instruction   | 2,236,368.50            | 888,362.05                          |                                  |                                      | 3,124,730.55                            |
| Special education instruction   | 795,380.93              |                                     |                                  |                                      | 795,380.93                              |
| Other special instruction   | 152,205.84              |                                     |                                  |                                      | 152,205.84                              |
| Support services and undistributed costs:                                     |                         |                                     |                                  |                                      |   |
| Tuition   | 355,086.33              | 175,731.00                          |                                  |                                      | 530,817.33                              |
| Student & instruction related services  | 942,715.47              | 249,066.49                          |                                  |                                      | 1,191,781.96                            |
| General administrative services   | 184,956.80              |                                     |                                  |                                      | 184,956.80                              |
| School administrative services  | 237,013.08              |                                     |                                  |                                      | 237,013.08                              |
| Plant operations and maintenance  | 793,978.48              |                                     |                                  |                                      | 793,978.48                              |
| Pupil transportation  | 171,616.29              |                                     |                                  |                                      | 171,616.29                              |
| Business and other support services   | 230,356.58              |                                     |                                  |                                      | 230,356.58                              |
| Unallocated Benefits  | 2,559,624.26            | 311,146.10                          |                                  |                                      | 2,870,770.36                            |
| Transfer to Charter School  | 184,469.00              |                                     |                                  |                                      | 184,469.00                              |
| Debt service:   |                         |                                     |                                  |                                      |   |
| Principal   |                         |                                     | 375,000.00                       |                                      | 375,000.00                              |
| Interest and other charges  |                         |                                     | 223,643.76                       |                                      | 223,643.76                              |
| Capital outlay  | 195,873.00              |                                     |                                  |                                      | 195,873.00                              |
| Total expenditures  | <u>9,039,644.56</u>     | <u>1,624,305.64</u>                 | <u>598,643.76</u>                | <u>-</u>                             | <u>11,262,593.96</u>                    |
| (Deficiency) of revenues and other financing sources (uses) over expenditures | <u>385,059.77</u>       | <u>(46,609.04)</u>                  | <u>(43,257.68)</u>               | <u>(0.00)</u>                        | <u>295,193.05</u>                       |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                         |                                     |                                  |                                      |   |
| Capital Reserve Transfer from Capital Projects                                | -                       |                                     |                                  |                                      | -                                       |
| Cancellation of prior year receivables  | -                       |                                     |                                  |                                      | -                                       |
| Transfer in   | -                       | 46,609.04                           | 75,159.00                        | -                                    | 121,768.04                              |
| Transfer out  | (46,609.04)             |                                     |                                  | (75,159.00)                          | (121,768.04)                            |
| Total other financing sources and uses  | <u>(46,609.04)</u>      | <u>46,609.04</u>                    | <u>75,159.00</u>                 | <u>(75,159.00)</u>                   | <u>-</u>                                |
| Net change in fund balances   | 338,450.73              | (0.00)                              | 31,901.32                        | (75,159.00)                          | 295,193.05                              |
| Fund balance—July 1   | 911,783.30              | -                                   | 5,864.83                         | 586,799.30                           | 1,504,447.43                            |
| Fund balance—June 30  | <u>\$ 1,250,234.03</u>  | <u>(0.00)</u>                       | <u>37,766.15</u>                 | <u>511,640.30</u>                    | <u>1,799,640.48</u>                     |

**Egg Harbor City School District  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2018**

|  |               |
|--|---------------|
| <b>Total net change in fund balances - governmental funds (from B-2)</b>   | \$ 295,193.05 |
| Amounts reported for governmental activities in the statement of activities (A-2) are different because:   |               |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period. | (911,349.56)  |
| Depreciation expense   | 12,345.50     |
| Assets charged to expense  | 72,946.72     |
| Adjustment to prior year additions   | -             |
| Capital outlays  | (826,057.34)  |

In the statement of activities, only the loss on disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale (if any) increases financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the assets disposed.

Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 375,000.00

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+) 3,682.71

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

|   |              |
|---|--------------|
| District pension contributions - PERS                 | 114,314.00   |
| Cost of benefits earned net of employee contributions | (227,104.00) |
|   | (112,790.00) |

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

|  |              |
|--|--------------|
| Compensated absences                                     | 32,202.50    |
| Amortization of premium on the issuance of bonds         | 1,333.92     |
| Amortization of gain (loss) on 2017 refunding bond issue | (2,590.21)   |
| <b>Change in net position of governmental activities</b> | (234,025.37) |

The accompanying notes are an integral part of these financial statements

**Egg Harbor City School District  
Statement of Net Position  
Proprietary Funds  
June 30, 2018**

|                                    |    |                          | <u>Business-type<br/>Activities -<br/>Enterprise Funds</u> |
|------------------------------------|----|--------------------------|--|
|                                    |    |                          | <u>Food<br/>Service</u>                                    |
| <b>ASSETS</b>                      |    |                          |  |
| Current assets:                    |    |                          |  |
| Cash and cash equivalents          | \$ | 56,574.04                |  |
| Accounts receivable                |    | 958.01                   |  |
| Receivables from other governments |    | 24,571.81                |  |
| Inventories                        |    | 8,171.78                 |  |
|                                    |    | <u>90,275.64</u>         |  |
| Noncurrent assets:                 |    |                          |  |
| Furniture, machinery & equipment   |    | 178,935.00               |  |
| Less accumulated depreciation      |    | <u>(119,595.80)</u>      |  |
| Total noncurrent assets            |    | <u>59,339.20</u>         |  |
| Total assets                       |    | <u><u>149,614.84</u></u> |  |
| <b>LIABILITIES</b>                 |    |                          |  |
| Current liabilities:               |    |                          |  |
| Accounts payable                   |    | 948.10                   |  |
| Unearned revenue                   |    | <u>6,819.31</u>          |  |
| Total current liabilities          |    | <u>7,767.41</u>          |  |
| Total liabilities                  |    | <u>7,767.41</u>          |  |
| <b>NET POSITION</b>                |    |                          |  |
| Net investment in capital assets   |    | 59,339.20                |  |
| Unrestricted                       |    | <u>82,508.23</u>         |  |
| Total net position                 | \$ | <u><u>141,847.43</u></u> |  |

**Egg Harbor City School District**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

|  |    | <u>Business-type<br/>Activities -<br/>Enterprise Funds</u> |
|--|----|--|
|  |    | <u>Food<br/>Service</u>                                    |
| Operating revenues:                          |    |  |
| Charges for services:                        |    |  |
| Daily sales - reimbursable programs          | \$ | 20,791.32  |
| Daily sales - non-reimbursable programs      |    | 22,762.65  |
| Special Functions                            |    | 6,379.50   |
| Total operating revenues                     |    | <u>49,933.47</u>   |
| <br>   |    |  |
| Operating expenses:                          |    |  |
| Cost of sales - reimbursable programs        |    | 391,346.85   |
| Cost of sales - non-reimbursable programs    |    | 22,704.58  |
| Depreciation                                 |    | 10,001.60  |
| Total Operating Expenses                     |    | <u>424,053.03</u>  |
| Operating (loss)                             |    | <u>(374,119.56)</u>  |
| <br>   |    |  |
| Nonoperating revenues and expenses:          |    |  |
| State sources:                               |    |  |
| State school lunch program                   |    | 3,831.44   |
| Federal sources:                             |    |  |
| National school lunch program                |    | 206,838.63   |
| National school breakfast program            |    | 136,658.74   |
| School Snack program                         |    | 2,020.48   |
| Fresh Fruit                                  |    | -  |
| Food distribution program                    |    | 22,207.25  |
| Interest and investment revenue              |    | 724.44   |
| Total nonoperating revenues                  |    | <u>372,280.98</u>  |
| (Loss) before contributions & transfers      |    | <u>(1,838.58)</u>  |
| <br>   |    |  |
| Other financing use:                         |    |  |
| Adjustment to prior year fixed asset balance |    | <u>125.00</u>  |
| <br>   |    |  |
| Change in net position                       |    | (1,713.58)   |
| Total net position—beginning                 |    | 143,561.01   |
| Total net position—ending                    | \$ | <u><u>141,847.43</u></u>                                   |

The accompanying notes are an integral part of these financial statements

**Egg Harbor City School District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2018**

|  | <b>Business-type<br/>Activities -<br/>Enterprise Funds</b> |
|--|--|
|  | <b>Food<br/>Service</b>                                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |  |
| Receipts from customers  | \$ 49,595.48   |
| Payments to cost of sales  | (390,751.54)   |
| Net cash (used in) operating activities  | (341,156.06)   |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>   |  |
| State Sources  | 3,701.00   |
| Federal Sources  | 336,178.67   |
| (To)/From other funds  |  |
| Net cash provided by non-capital financing activities  | 339,879.67   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>  |  |
| Purchase of Equipment  | (4,975.00)   |
| Net cash (used in) capital and related financing activities  | (4,975.00)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |  |
| Interest and investment revenue  | 724.44   |
| Net cash provided by investing activities  | 724.44   |
| Net increase in cash and cash equivalents  | (5,526.95)   |
| Balances—beginning of year   | 62,100.99  |
| Balances—end of year   | 56,574.04  |
| <b>Reconciliation of operating income (loss) to net cash<br/>provided by/(used in) operating activities:</b> |  |
| Operating (loss)   | (374,119.56)   |
| Adjustments to reconcile operating (loss) to net cash provided by/<br>(used in) operating activities         |  |
| Depreciation and net amortization  | 10,001.60  |
| Food distribution program  | 22,207.25  |
| (Increase) in other accounts receivable  | (137.97)   |
| Increase in unearned revenue   | (971.18)   |
| Decrease in inventories  | 2,063.82   |
| Increase in accounts payable   | (200.02)   |
| Total adjustments  | 32,963.50  |
| Net cash (used in) operating activities  | \$ (341,156.06)  |

**Egg Harbor City School District  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2018**

|   | <u>Unemployment<br/>Compensation</u> | <u>Private Purpose<br/>Scholarship Fund</u> | <u>Agency<br/>Fund</u>  |
|---|--------------------------------------|---|-------------------------|
| <b>ASSETS</b>   |                                      |   |                         |
| Cash and cash equivalents                                   | \$ -                                 | 1,625.55                                    | 37,479.91               |
| Due from payroll agency                                     | <u>36,700.67</u>                     |   |                         |
| Total assets  | <u><u>36,700.67</u></u>              | <u><u>1,625.55</u></u>                      | <u><u>37,479.91</u></u> |
| <b>LIABILITIES</b>  |                                      |   |                         |
| Payroll deductions and withholdings                         |                                      |   | 779.24                  |
| Payable to unemployment trust                               |                                      |   | <u>36,700.67</u>        |
| Total liabilities   | <u>-</u>                             | <u>-</u>                                    | <u><u>37,479.91</u></u> |
| <b>NET POSITION</b>   |                                      |   |                         |
| Held in trust for unemployment<br>claims and other purposes | <u><u>\$ 36,700.67</u></u>           | <u><u>1,625.55</u></u>                      |                         |

**Egg Harbor City School District  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2018**

|                                    | Unemployment<br>Compensation | Private Purpose<br>Scholarship Fund |
|------------------------------------|------------------------------|-------------------------------------|
| <b>ADDITIONS</b>                   |                              |                                     |
| Investment earnings:               |                              |                                     |
| Interest                           |                              | 2.91                                |
| Scholarship donations              |                              |                                     |
| Employee contributions             | 9,276.27                     |                                     |
| Total additions                    | 9,276.27                     | 2.91                                |
| <b>DEDUCTIONS</b>                  |                              |                                     |
| Other payments                     | 21,539.71                    | 300.00                              |
| Total deductions                   | 21,539.71                    | 300.00                              |
| Change in net position             | (12,263.44)                  | (297.09)                            |
| Net position—beginning of the year | 48,964.11                    | 1,922.64                            |
| Net position—end of the year       | \$ 36,700.67                 | 1,625.55                            |

The accompanying notes are an integral part of these financial statements



## **Notes to the Financial Statements**

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**Egg Harbor City School District**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Egg Harbor City School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the Egg Harbor City School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

**A. Reporting Entity:**

The Egg Harbor City School District is a Type II district located in the County of Atlantic, State of New Jersey. As a type II district, the School District functions independently through a Board of Education. The board is comprised of seven members elected to a three-year term. The purpose of the District is to educate students in grades K-8. The Egg Harbor City School District had an approximate enrollment at June 30, 2018 of 540 and 494 at June 30, 2017.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service program is classified as a business-type activity.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net positions are reported in three parts—invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement

**Egg Harbor City School District**  
**Notes to Financial Statements**  
**June 30, 2018**

of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

**1. Governmental Funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Debt service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.
- d. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. In addition, grant funds specifically related to these projects are reported as earned.

**Egg Harbor City School District**  
**Notes to Financial Statements**  
**June 30, 2018**

**Fund Balances – Governmental Funds**

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**2. Proprietary Funds:**

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district.

**3. Fiduciary Funds:**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address

**Egg Harbor City School District**  
**Notes to Financial Statements**  
**June 30, 2018**

activities or obligations of the government, these funds are not incorporated into the government-wide statements.

All funds internal activity is eliminated when carried to the Government-wide statements.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

For the purpose of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental

**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2018**

Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental units.

**2. Investments:**

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized in the District's General Fund.

**3. Inventories:**

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. The District did not have inventory in the general fund and had the following inventory in the enterprise fund:

|          |    |          |
|----------|----|----------|
| Food     | \$ | 7,846.97 |
| Supplies |    | 324.81   |
|          | \$ | 8,171.78 |

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2018 is \$6,819.31.

**4. Capital Assets:**

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

|                         |             |
|-------------------------|-------------|
| Buildings               | 20-50 years |
| Machinery and equipment | 5-20 years  |
| Improvements            | 10-20 years |

Infrastructure assets include roads, parking lots, underground pipe, etc. All infrastructure assets are reported in the financial statements and are being depreciated over their useful lives.

**5. Revenues:**

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

**Egg Harbor City School District**  
**Notes to Financial Statements**  
**June 30, 2018**

**6. Expenditures:**

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**7. Compensated absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**8. Interfund Activity:**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**9. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. The following material transfers were made to/(from) budgetary line items:



**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2018**

| <u>Account</u>   | <u>Amount</u>   |
|--|-----------------|
| Basic Skills/Remedial – Instruction – Salaries of Teachers | \$ (109,530.12) |
| Undistributed Expenditures-Instruction                     |                 |
| Tuition to other LEA’s within State-Special                | 78,498.03       |
| Tuition to CSSD & Regional Day Schools                     | (112,797.47)    |

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**10. Tuition Receivable**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**11. Tuition Payable**

Tuition charges for the fiscal years 2017/18 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**12. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

**13. Allocation of Costs**

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the original budgetary expenditures by program.

**14. Pensions**

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and Public Employee Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Egg Harbor City School District**  
**Notes to Financial Statements**  
**June 30, 2018**

**F. RECENT ACCOUNTING PRONOUNCEMENTS**

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83 "Certain Asset Retirement Obligations" This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 "Fiduciary Activities". This statement, which is effective for fiscal periods after December 15, 2018, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for reporting periods beginning after December 15, 2019, may have an effect on the District's financial reporting.

In March 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". This statement, which is effective for fiscal periods after June 15, 2018, will not have any effect on the District's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interest – an amendment of GASB Statement No. 14 and No. 61". This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

**NOTE 2. INVESTMENTS**

As of June 30, 2018, the District had no investments.

**Interest Rate Risk.** The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk.** New Jersey Statutes 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk.** The District places no limit on the amount the District may invest in any one issuer.

**NOTE 3. CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2018, \$85,249.54 of the District's bank balance of \$1,855,134.22 was exposed to credit risk.

**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2018**

**NOTE 4. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Egg Harbor City School District in a prior year, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The total amount included in the plan for uncompleted projects at June 30, 2018 was \$12,736,251.

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

|                                 |    |                   |
|---------------------------------|----|-------------------|
| Beginning balance, July 1, 2017 | \$ | 171,152.89        |
| Increased By:                   |    |                   |
| Interest earnings               |    | 251.76            |
| Board Resolution, June 22, 2018 |    | <u>100,000.00</u> |
| Ending balance, June 30, 2018   | \$ | <u>271,404.65</u> |

**NOTE 5. MAINTENANCE RESERVE FUND**

New Jersey Administrative Code 6A:23A-14.2 permits school districts to establish a maintenance reserve account for the required maintenance of the District's facilities, in accordance with the Commissioner approved plan. The District can increase the balance in this reserve account by appropriating funds in the annual general fund budget certified for taxes or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end.

|                                 |    |                  |
|---------------------------------|----|------------------|
| Beginning balance, July 1, 2017 | \$ | 31,481.63        |
| Increased By:                   |    |                  |
| None                            |    |                  |
| Withdrawals                     |    |                  |
| None                            |    |                  |
| Ending balance, June 30, 2018   | \$ | <u>31,481.63</u> |

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**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2018**

**NOTE 6. FIXED ASSETS**

Capital asset activity for the year ended June 30, 2018 was as follows:

|  | <u>Balance</u><br><u>6/30/17</u> | <u>Additions</u>    | <u>Disposals/<br/>Adjustments</u> | <u>Balance</u><br><u>6/30/18</u> |
|--|----------------------------------|---------------------|-----------------------------------|----------------------------------|
| Governmental Activities                          |                                  |                     |                                   |                                  |
| Capital assets not<br>being depreciated          |                                  |                     |                                   |                                  |
| Const in Process                                 | \$ 25,077,077.00                 |                     | (1,153,000.00)                    | 23,924,077.00                    |
| Land   | 1,745,000.00                     |                     |                                   | 1,745,000.00                     |
| Total capital assets not<br>being depreciated    | <u>26,822,077.00</u>             |                     | <u>(1,153,000.00)</u>             | <u>25,669,077.00</u>             |
| Bldgs & Improv                                   | 3,158,990.00                     | 1,153,000.00        |                                   | 4,311,990.00                     |
| Machinery & equip                                | 619,309.17                       | 85,292.22           | (19,503.85)                       | 685,097.54                       |
| Total at cost                                    | <u>3,778,299.17</u>              | <u>1,238,292.22</u> | <u>(19,503.85)</u>                | <u>4,997,087.54</u>              |
| Less accum depr.                                 |                                  |                     |                                   |                                  |
| Bldg & improve                                   | (1,872,917.15)                   | (835,495.82)        |                                   | (2,708,412.97)                   |
| Machinery & equip                                | (469,182.97)                     | (75,853.74)         | 19,503.85                         | (525,532.86)                     |
| Total accum depr                                 | <u>(2,342,100.12)</u>            | <u>(911,349.56)</u> | <u>19,503.85</u>                  | <u>(3,233,945.83)</u>            |
| Total capital assets<br>being depreciated        | <u>1,436,199.05</u>              | <u>326,942.66</u>   | <u>0.00</u>                       | <u>1,763,141.71</u>              |
| Governmental activities -<br>Capital Assets, net | <u>28,258,276.05</u>             | <u>326,942.66</u>   | <u>(1,153,000.00)</u>             | <u>27,432,218.71</u>             |
| Business-type activities                         |                                  |                     |                                   |                                  |
| Equipment  | 168,535.00                       | 5,100.00            | 5,300.00                          | 178,935.00                       |
| Less Accum depr                                  | (104,294.20)                     | (10,001.60)         | (5,300.00)                        | (119,595.80)                     |
| Business-type Activities<br>Capital Assets, net  | <u>\$ 64,240.80</u>              | <u>(4,901.60)</u>   | <u>0.00</u>                       | <u>59,339.20</u>                 |

Depreciation expense was charged to governmental functions as follows:

|  |                      |
|--|----------------------|
| Regular instruction                    | \$ 331,694.92        |
| Special education                      | 114,883.48           |
| Other special instruction              | 15,709.20            |
| Tuition                                | 63,970.76            |
| Student & instruction related services | 116,529.69           |
| General Administration                 | 32,084.11            |
| School administrative expenses         | 37,316.95            |
| Plant operations and maintenance       | 125,543.31           |
| Pupil transportation                   | 34,254.63            |
| Business and other support services    | 39,362.51            |
|  | <u>\$ 911,349.56</u> |

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**Egg Harbor City School District  
Notes to Financial Statements  
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**NOTE 7. OPERATING LEASES**

Effective October 2013, the District entered into a lease agreement for a Ricoh Digital Copier/Printer/Scanner. The lease term is 48 months with payments of \$256.18 due monthly. Total rent expense for the 2018 fiscal year was \$1,024.72.

Effective October 2013, the District entered into a lease agreement for a Ricoh Digital Copier/Printer/Scanner. The lease term is 48 months with payments of \$178.07 due monthly. Total rent expense for the 2018 fiscal year was \$712.28.

Effective September 2015, the District entered into a lease agreement for a Ricoh Multi-printer. The lease term is 48 months with payments of \$225.45 due monthly. Total rent expense for the 2018 fiscal year was \$2,705.40.

Effective April 2016, the District entered into a lease agreement for a Ricoh Multi-printer. The lease term is 48 months with payments of \$288.52 due monthly. Total rent expense for the 2018 fiscal year was \$3,462.24.

Effective July 2016, the District entered into a lease agreement for a Xerox D95 copier/printer. The lease term is 48 months with payments of \$373.81 due monthly. Total rent expense for the 2018 fiscal year was \$4,485.72.

Effective January 2017, the District entered into a lease agreement for a Xerox PRO8210S copier/printer. The lease term is 48 months with payments of \$651.24 due monthly. Total rent expense for the 2018 fiscal year was \$7,814.88.

Effective November 2017, the District entered into a lease agreement for 2 Ricoh MP4055SPG copy machines. The lease term is 48 months with payments of \$365.74 due monthly. Total rent expense for the 2018 fiscal year was \$2,925.92.

The following are minimum lease payments due on an annual basis:

| Year ending June 30, |    |                  |
|----------------------|----|------------------|
| 2019                 | \$ | 22,857.12        |
| 2020                 |    | 19,737.06        |
| 2021                 |    | 8,296.32         |
| 2022                 |    | 1,462.96         |
| 2023                 |    | 0.00             |
| Total                | \$ | <u>52,353.46</u> |

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**NOTE 8. GENERAL LONG-TERM DEBT**

During the fiscal year ended June 30, 2018 the following changes occurred in liabilities reported in the general long-term debt account group:

|                       | <u>Balance<br/>6/30/17</u> | <u>Issued</u>   | <u>Retired</u>      | <u>Balance<br/>6/30/18</u> | <u>Due within<br/>One Year</u> |
|-----------------------|----------------------------|-----------------|---------------------|----------------------------|--------------------------------|
| Compensated           |                            |                 |                     |                            |                                |
| Absences Payable      | \$ 129,758.00              | 6,747.50        | 38,950.00           | 97,555.50                  | 5,712.50                       |
| Premium on Bond       |                            |                 |                     |                            |                                |
| Refunding             | 247,982.47                 |                 | 1,333.92            | 246,648.55                 | 13,087.47                      |
| Bonds Payable         | 7,725,000.00               |                 | 375,000.00          | 7,350,000.00               | 390,000.00                     |
| Net Pension Liability | 3,493,571.00               |                 | 621,090.00          | 2,872,481.00               | -                              |
| <b>Total</b>          | <b>\$ 11,596,311.47</b>    | <b>6,747.50</b> | <b>1,036,373.92</b> | <b>10,566,685.05</b>       | <b>408,799.97</b>              |

**A. Bonds Payable:**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Long-term debt as of June 30, 2018 consisted of the following:

\$8,870,000 School Bonds dated 2/28/08 payable in annual installments through 3/15/33. Interest is paid semiannually at varying rates, which range from 3.75% to 4.05%. In July 2016, \$7,130,000 was refunded with the Refunding School Bonds, Series 2016. This amount represents those bonds with maturity dates of 3/15/19 through 3/15/33. The balance remaining as of June 30, 2018 was \$0.00.

\$7,500,000 Refunding School Bonds, Series 2016 dated July 14, 2016 payable in annual installments through 3/15/33. Interest is paid semiannually at varying rates from 2.00% to 4.00% per annum. The bonds maturing on or after March 15, 2027 are redeemable at the option of the Board in whole or in part, upon notice as required, on any date on or after March 15, 2026 at a price of 100% of the principal amount being redeemed, plus interest accrued to the date of redemption. These bonds were issued to advance refund the callable portion of the School Bonds, Series 2008. The bonds that were called had maturities from 3/15/19 to 3/15/33 in the total amount of \$7,130,000. The total net present value savings on the issue is \$497,678.04, or 6.635707%. The balance remaining on the issue as of June 30, 2018 was \$7,350,000.00.

Principal and interest due on serial bonds outstanding is as follows:

| <u>Year Ending<br/>June 30,</u> | <u>Principal</u>       | <u>Interest</u>     | <u>Total</u>        |
|---------------------------------|------------------------|---------------------|---------------------|
| 2019                            | \$ 390,000.00          | 210,281.26          | 600,281.26          |
| 2020                            | 405,000.00             | 198,581.26          | 603,581.26          |
| 2021                            | 415,000.00             | 186,431.26          | 601,431.26          |
| 2022                            | 425,000.00             | 173,981.26          | 598,981.26          |
| 2023                            | 445,000.00             | 161,231.26          | 606,231.26          |
| 2024-2028                       | 2,435,000.00           | 598,456.30          | 3,033,456.30        |
| 2029-2033                       | 2,835,000.00           | 226,100.04          | 3,061,100.04        |
| <b>Total</b>                    | <b>\$ 7,350,000.00</b> | <b>1,755,062.64</b> | <b>9,105,062.64</b> |

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**Notes to Financial Statements**  
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**NOTE 9. PENSION PLANS**

*Description of Plans*

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/financial-rpts-home.shtml>.

*Teachers' Pension and Annuity Fund*

The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

*Public Employees' Retirement System*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

*Defined Contribution Retirement Program (DCRP)*

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A 43:15C-1 et seq.

*Funding Policy*

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.34% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 14.55% and the PERS rate is 12.99% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2018, 2017 and 2016 were \$595,259.00, \$818,877.00, and \$706,078.00, respectively, and paid by the State of New Jersey on behalf of the board, equal to the

**Egg Harbor City School District**  
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required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2018, 2017 and 2016 were \$116,943.42, \$116,682.62, and \$109,109.00, respectively, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2018, 2017 and 2016 was \$5,541,653.00, \$5,473,471.00, and \$5,420,211.25; covered payroll was \$4,091,727.00, \$4,037,171.00, and \$4,058,696.00 TPAF; and \$900,406.00, \$882,359.00, and \$824,365.00 for PERS.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS and TPAF to  $\frac{1}{60}$ <sup>th</sup> from  $\frac{1}{55}$ <sup>th</sup>, and it provided that new members of PERS and TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS and TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined a  $\frac{1}{7}$ <sup>th</sup> of the required amount, beginning in fiscal years 2012.



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Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS and TPAF with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 10: PUBLIC EMPLOYEES RETIREMENT SYSTEM**

At June 30, 2018, the District reported a liability of \$2,872,481 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the District's proportion was .01233968470%, which was an increase of 4.61% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the District recognized pension expense of \$227,108. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 67,637.00                      |                                  |
| Changes of assumptions  | 578,706.00                        | 576584                           |
| Net difference between projected and actual earnings<br>on pension plan investments   | 19,560                            |                                  |
| Changes in proportion and differences between District<br>contributions and proportionate share of contributions<br>District contributions subsequent to the measurement date | 172,998.00                        | 116,604.00                       |
|   | \$ 838,901.00                     | \$ 693,188.00                    |
| Total   |                                   |                                  |

\$114,314 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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| Year ended<br>June 30, |    |                   |
|------------------------|----|-------------------|
| 2019                   | \$ | 115,925.00        |
| 2020                   |    | 168,422.00        |
| 2021                   |    | 100,042.00        |
| 2022                   |    | (133,751.00)      |
| 2023                   |    | (104,925.00)      |
| Total                  | \$ | <u>145,713.00</u> |

**Actuarial Assumptions**

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all period in the measurement:

|                            |                              |
|----------------------------|------------------------------|
| Inflation rate             | 2.25%                        |
| Salary increases:          |                              |
| Through 2026               | 1.65% - 4.15% (based on age) |
| Thereafter                 | 2.65% - 5.15% (based on age) |
| Investment rate of return: | 7.00%                        |

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term

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expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

| Asset Class                       | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------------|-------------------|--|
| Absolute return/risk mitigation   | 5.00%             | 5.51%                                  |
| Cash equivalents                  | 5.50%             | 1.00%                                  |
| U.S. treasuries                   | 3.00%             | 1.87%                                  |
| Investment grade credit           | 10.00%            | 3.78%                                  |
| Public high yield                 | 2.50%             | 6.82%                                  |
| Global diversified credit         | 5.00%             | 7.10%                                  |
| Credit oriented hedge funds       | 1.00%             | 6.50%                                  |
| Debt related private equity       | 2.00%             | 10.63%                                 |
| Debt related real estate          | 1.00%             | 6.61%                                  |
| Private real asset                | 2.50%             | 11.83%                                 |
| Equity related real estate        | 6.25%             | 9.23%                                  |
| U.S. equity                       | 30.00%            | 8.19%                                  |
| Non-U.S. developed markets equity | 11.50%            | 9.00%                                  |
| Emerging markets equity           | 6.50%             | 11.64%                                 |
| Buyouts/venture capital           | 8.25%             | 13.08%                                 |

*Discount Rate*

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the collective net pension liability of the participated employers as of June 30, 2017, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

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|   | Decrease<br>(4.00%) | Rate<br>(5.00%) | Increase<br>(6.00%) |
|---|---------------------|-----------------|---------------------|
| District's proportionate share of the net pension liability | \$ 3,446,283.77     | 2,872,481.00    | 2,395,051.47        |

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**NOTE 11. TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

|  |    |               |
|--|----|---------------|
| District's proportionate share of the net pension liability                            | \$ | -             |
| State's proportionate share of the net position liability associated with the District |    | 26,747,834.00 |
| Total  | \$ | 26,747,834.00 |

The net pension liability was measured as of June 30, 2017 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2017, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$1,852,955 and revenue of \$445,474 for support provided by the State. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

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|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience   | \$ 174,997.00                     | 45,773.00                        |
| Changes of assumptions   | 5,307,330.00                      | 4,635,538                        |
| Net difference between projected and actual earnings<br>on pension plan investments                              | \$ 135,481                        |                                  |
| Changes in proportion and differences between District<br>contributions and proportionate share of contributions | \$ 2,470,120                      |                                  |
| District contributions subsequent to the measurement date  |                                   |                                  |
| <br>   |                                   |                                  |
| Total  | <u>\$ 8,087,928.00</u>            | <u>4,681,311.00</u>              |

\$0.00 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended<br>June 30, |                        |
|------------------------|------------------------|
| 2019                   | \$ 1,068,379.00        |
| 2020                   | 1,696,570.00           |
| 2021                   | 1,418,570.00           |
| 2022                   | 795,364.00             |
| 2023                   | 901,716.00             |
| Thereafter             | <u>(2,473,982.00)</u>  |
| Total                  | <u>\$ 3,406,617.00</u> |

*Actuarial assumptions.* The total pension liability in the June 30, 2017 actuarial valuation was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

|                           |                            |
|---------------------------|----------------------------|
| Inflation Rate            | 2.25%                      |
| Salary increases          |                            |
| 2012-2021                 | Varies based on experience |
| Thereafter                | Varies based on experience |
| Investment rate of return | 7.00%                      |

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Pre-retirement, post-retirement and disable mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

| Asset Class                       | Target Allocation | Long-Term Expected Real Rate of Return. |
|-----------------------------------|-------------------|---|
| Absolute return/risk mitigation   | 5.00%             | 5.51%                                   |
| Cash equivalents                  | 5.50%             | 1.00%                                   |
| U.S. treasuries                   | 3.00%             | 1.87%                                   |
| Investment grade credit           | 10.00%            | 3.78%                                   |
| Public high yield                 | 2.50%             | 6.82%                                   |
| Global diversified credit         | 5.00%             | 7.10%                                   |
| Credit oriented hedge funds       | 1.00%             | 6.60%                                   |
| Debt related private equity       | 2.00%             | 10.63%                                  |
| Debt related real estate          | 1.00%             | 6.61%                                   |
| Private real asset                | 2.50%             | 11.83%                                  |
| Equity related real estate        | 6.25%             | 9.23%                                   |
| U.S. equity                       | 30.00%            | 8.19%                                   |
| Non-U.S. developed markets equity | 11.50%            | 9.00%                                   |
| Emerging market equity            | 6.50%             | 11.64%                                  |
| Buyouts venture capital           | 8.25%             | 13.08%                                  |

*Discount rate.* The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal

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bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.25% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.25%) or 1-percentage point higher (5.25%) than the current rate:

|   | 1%<br>Decrease<br>(3.25%) | Current Discount<br>Rate<br>(4.25%) | 1%<br>Increase<br>(5.25%) |
|---|---------------------------|-------------------------------------|---------------------------|
| District's proportionate share of the net pension liability | \$ -                      | -                                   | -                         |

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

**NOTE 12 – OTHER POST-RETIREMENT BENEFITS**

P.L. 1987, Chapter 384 and P.L. 1990 Chapter 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007 c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for funding and payment of post-retirement medical benefits for retired State employees and educational employees. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 53, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

*Employees covered by benefit terms:*

At June 30, 2018, the following employees were covered by the benefit terms:

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

**Egg Harbor City School District**  
**Notes to Financial Statements**  
**June 30, 2018**

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

*Total OPEB Liability*

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportional share percentage determined under paragraphs 193 and 203 through 205 of GASBS no. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

*Actuarial assumptions and other imputes:*

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Discount Rate:** The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The discount rate used for the fiscal year ending June 30, 2017 is 3.58%.

**Health Care Trend:** For pre-Medicare PPO medical benefits, the initial amount is 5.9% and decreases to 5.0% long term trend rate after 9 years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For HMO medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after 9 years. For prescription drug benefits, the initial trend rate is 10/5% decreasing to a 5.0% long-term trend rate after 8years. For Medicare Part-B reimbursement, the trend rate is 5.0%.

**Salary Scale:** The salary scale assumptions will be consistent with the salary scale assumptions used in the pension plans and the calculation of the retiree health contributions for current and future retirees who are subject to Chapter 78. The PERS and TPAF pension actuarial reports are used for the fiscal year ending June 30, 2018.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based on the following:

**Pre-retirement Healthy Mortality:** RP-2014 headcount-weighted healthy employee male/female mortality table with fully generational mortality improvement projections from the central year using scale MP-2017.

**Post-retirement Healthy Mortality:** RP-2014 headcount-weighted healthy annuitant male/female mortality table with fully generational improvement projections from the central year using scale MP-2017.

**Disabled Mortality:** RP-2014 headcount-weighted disabled male/female mortality table with fully generational improvement projections from the central year using scale MP-2017



**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2018**

*Changes in the Total OPEB liability reported by the State of New Jersey:*

|  |                                    |
|--|------------------------------------|
| Balance at 6/30/16                     | \$ 57,831,784,184.00               |
| Changes for the year:                  |                                    |
| Service cost                           | 2,391,878,884.00                   |
| Interest                               | 1,699,441,736.00                   |
| Changes in assumptions or other inputs | (7,086,599,129.00)                 |
| Contributions: Member                  | 45,748,749.00                      |
| Benefit payments                       | <u>(1,242,412,566.00)</u>          |
| Net changes                            | <u>(4,191,942,326.00)</u>          |
| Balance at 6/30/17                     | <u><u>\$ 53,639,841,858.00</u></u> |

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017.

*Sensitivity of the total OPEB liability to changes in the discount rate:*

The following presents the total OPEB liability of the State for school board retirees, as well as what the state's total OPEB liability for school boards would be if it were calculated using a discount rate that 1 percentage point lower or 1 percentage point higher than the current discount rate:

|   | <u>1% Decrease<br/>(2.58%)</u> | <u>Discount Rate<br/>(3.58%)</u> | <u>1% Increase<br/>(4.58%)</u> |
|---|--------------------------------|----------------------------------|--------------------------------|
| Total OPEB Liability<br>(School Retirees) | 63,674,362,200.00              | 53,639,841,858.00                | 45,680,364,953.00              |

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.*

The following presents the total OPEB liability of the State, as well as what the State's total OPB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

|   | <u>1% Decrease</u> | <u>Healthcare Cost<br/>Trend Rates</u> | <u>1% Increase</u> |
|---|--------------------|--|--------------------|
| Total OPEB Liability<br>(School Retirees) | 44,113,584,560.00  | 53,639,841,858.00                      | 66,290,599,457.00  |

**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2018**

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the year ended June 30, 2018, the board of education recognized OPEB expense of \$1,327,575 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience   | \$ -                              |                                  |
| Changes of assumptions   |                                   | 6,343,769,032.00                 |
| Net difference between projected and actual earnings<br>on pension plan investments                              |                                   |                                  |
| Changes in proportion and differences between District<br>contributions and proportionate share of contributions |                                   |                                  |
| Contributions subsequent to the measurement date   | 1,190,373,242.00                  |                                  |
| Total  | \$ 1,190,373,242.00               | 6,343,769,032.00                 |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB will be recognized in OPEB expense as follows:

| Year ended<br>June 30, |                       |
|------------------------|-----------------------|
| 2019                   | \$ (742,830,097.00)   |
| 2020                   | (742,830,097.00)      |
| 2021                   | (742,830,097.00)      |
| 2022                   | (742,830,097.00)      |
| 2023                   | (742,830,097.00)      |
| Thereafter             | (2,629,618,547.00)    |
| Total                  | \$ (6,343,769,032.00) |

(Contributions made after June 30, 2017 are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2018**

**NOTE 13. LABOR CONTRACTS**

As of June 30, 2018 the District's employees were organized in the following collective bargaining unit.

| <u>Bargaining Unit</u>                              | <u>Employees Covered</u>   | <u>Expiration</u> |
|---|--|-------------------|
| Egg Harbor City<br>Education Association<br>(EHCEA) | All full-time and part-time<br>employees working twenty-five or<br>more hours per week, whether<br>under contract or on leave,<br>including all non-supervisory<br>certificated staff members and<br>non-certified employees including<br>secretaries, clerks, custodians,<br>maintenance personnel and aides. | June 30, 2019     |

In addition to the above contract, the Board of Education has entered into individual employment agreements with Administrative staff, including the Superintendent and Business Administrator, and confidential employees. The expiration of these contracts will vary depending on the position.

**NOTE 14. COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Eligible administrators may bank unused vacation up to a maximum of five (5) days per year. Any unused vacation days which result in an employee exceeding the allowable number of banked days on June 30 of any given year will be forfeited.

Teachers are entitled to ten sick days per school year and are permitted to accumulate these days from year to year with no maximum limit. In order to be reimbursed for unused sick time, the teacher must have a minimum of fifty days accumulated at the end of the academic year in which their retirement is executed. Teachers will only be reimbursed up to a maximum of \$10,000 for the unused sick time.

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year are reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2018 no liability existed for compensated absences in the proprietary fund types.

**NOTE 15. DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2018**

The plan administrators are as follows:

Metro  
Lincoln  
Syracusa  
Equitable

The District also allows employees to participate in a IRS §529 plan with Syracuse.

**NOTE 16. RISK MANAGEMENT**

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2018 the District did not incur claims in excess of their coverage.

This District is a member of the Atlantic and Cape May Counties School Business Officials Joint Insurance Fund (ACCASBO JIF). This Fund was formed under the provisions of NJSA 18A:18B 1-10.

The purpose of this Fund is to permit member Boards of Education to make use of their powers and resources by cooperating on a basis that will be of mutual advantage and to provide a procedure for development, administration, and provision of Risk Management Programs, a Joint Self Insurance Fund, Joint Insurance Purchases and related services for members and their employees for the following:

- Workers Compensation and Employers Liability
- Automobile and Equipment Liability, General Liability and Property Damage
- School Board Legal Liability
- Boiler and Machinery

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method.” Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of the District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and prior two years:

| <u>Fiscal<br/>Year</u> | <u>District<br/>Contributions</u> | <u>Employee<br/>Contributions</u> | <u>Claims<br/>Paid</u> | <u>Ending<br/>Balance</u> |
|------------------------|-----------------------------------|-----------------------------------|------------------------|---------------------------|
| 2017-2018              |                                   | 9,276.27                          | 21,539.71              | 36,700.67                 |
| 2016-2017              |                                   | 9,107.64                          | 6,677.86               | 48,964.11                 |
| 2015-2016              |                                   | 8,807.66                          | 0                      | 46,534.33                 |

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**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2018**

**NOTE 17. INTERFUND RECEIVABLES AND PAYABLES**

As of June 30, 2018, interfunds remained on the various balance sheets of the Egg Harbor City Board of Education.

| <u>Fund</u>          | <u>Interfund<br/>Receivable</u> | <u>Interfund<br/>Payable</u> |
|----------------------|---------------------------------|------------------------------|
| Capital Project Fund | 219,682.00                      |                              |
| Debt Service Fund    |                                 | 219,682.00                   |
|                      | 219,682.00                      | 219,682.00                   |

All interfunds are created as a result of timing differences between cash requirements in various funds and the receipt of cash from funding agencies. It is anticipated that all interfunds will be liquidated during the fiscal year.

**NOTE 18. LITIGATION**

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any legal proceedings will not have any adverse effect on the accompanying financial statements.

**NOTE 19. FUND BALANCE APPROPRIATED**

**General Fund (Exhibit B-1)** - Of the \$1,250,234.03 General Fund fund balance at June 30, 2018, \$31,046.71 is reserved for encumbrances, but not reflected as assigned on the balance sheet since the unassigned balance is negative; \$271,404.65 has been committed to the capital reserve fund; \$31,481.63 has been committed to the maintenance reserve fund; \$1,096,250.82 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$524,452.78 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2019); \$62,581.22 has been appropriated and also included as anticipated revenue for the year ending June 30, 2019, however this amount is not reflected on the balance sheet as assigned since the unassigned balance is negative; and \$(148,903.07) is unreserved and undesignated, after adjusting for the above items.

**NOTE 20. CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 is \$1,096,250.82, of which \$524,452.78 has been included in the 2018-19 budget. The excess fund balance at June 30, 2017 was \$906,398.27.

**NOTE 21. DEFICIT FUND BALANCES**

The District has a deficit fund balances of \$148,903.07 in the General Fund, as of June 30, 2018 as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal

**Egg Harbor City School District**  
**Notes to Financial Statements**  
**June 30, 2018**

year, the school district cannot recognize the last two state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last two state aid payments, the General Fund balance deficits do not alone indicate that the district is facing financial difficulties.

**NOTE 22. SUBSEQUENT EVENTS**

In September 2018, the State of New Jersey Schools Development Authority notified the District that all costs associated with the construction of the Egg Harbor City Community School have been paid and the project has been closed. As a result, the State has refunded \$275,338.86 to the District, which represents the remaining unspent funds on the project. A Certificate of Occupancy was issued in November 2018.

The District has evaluated subsequent events through January 24, 2019, the date which the financial statements were available to be issued and no other items were noted for disclosure or adjustment.

**Required Supplemental Information  
Part II**

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**BUDGETARY COMPARISON SCHEDULES**

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**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018**

|  | Original Budget     | Budget Transfers | Final Budget        | Actual              | Variance Under/(Over) Final to Actual |
|--|---------------------|------------------|---------------------|---------------------|---------------------------------------|
| <b>REVENUES:</b>   |                     |                  |                     |                     |                                       |
| Local Sources:   |                     |                  |                     |                     |                                       |
| Local Tax Levy   | \$ 2,716,683.00     |                  | 2,716,683.00        | 2,716,683.00        | -                                     |
| Other Tuition  | -                   |                  | -                   | 55,273.89           | 55,273.89                             |
| Interest Earned on Bank Accounts   | 10.00               |                  | 10.00               | 2,046.19            | 2,036.19                              |
| Interest Earned on Capital Reserve Accounts  | 10.00               |                  | 10.00               | 251.76              | 241.76                                |
| Miscellaneous  | 30,000.00           |                  | 30,000.00           | 25,914.77           | (4,085.23)                            |
| <b>Total - Local Sources</b>   | <b>2,746,703.00</b> | <b>-</b>         | <b>2,746,703.00</b> | <b>2,800,169.61</b> | <b>53,466.61</b>                      |
| State Sources:   |                     |                  |                     |                     |                                       |
| Categorical Special Education Aid  | 267,087.00          |                  | 267,087.00          | 267,087.00          | -                                     |
| Equalization Aid   | 4,893,235.00        | 58,325.00        | 4,951,560.00        | 4,951,560.00        | -                                     |
| Categorical Security Aid   | 43,161.00           |                  | 43,161.00           | 43,161.00           | -                                     |
| Categorical Transportation Aid   | 24,822.00           |                  | 24,822.00           | 24,822.00           | -                                     |
| Extraordinary Aid  | 7,000.00            |                  | 7,000.00            | 25,140.00           | 18,140.00                             |
| Per Pupil Growth Aid   | 4,775.00            |                  | 4,775.00            | 4,775.00            | -                                     |
| PARCC Readiness  | 4,775.00            |                  | 4,775.00            | 4,775.00            | -                                     |
| Professional Learning Community Aid  | 4,820.00            |                  | 4,820.00            | 4,820.00            | -                                     |
| Host District Support Aid  | 220.00              |                  | 220.00              | 220.00              | -                                     |
| Additional Non-public Transportation Aid   | -                   |                  | -                   | 4,060.00            | 4,060.00                              |
| On-Behalf TPAF Pension Contributions (non-budgeted)                                | -                   |                  | -                   | 595,259.00          | 595,259.00                            |
| On-Behalf TPAF Pension Contributions-Post Retirement Medical (n                    | -                   |                  | -                   | 384,465.00          | 384,465.00                            |
| On-behalf TPAF Pension Contributions-Long Term Disability Insurance (non-budgeted) | -                   |                  | -                   | 729.00              | 729.00                                |
| Reimbursed TPAF Social Security Contributions (non-budgeted)                       | -                   |                  | -                   | 298,930.41          | 298,930.41                            |
| <b>Total - State Sources</b>   | <b>5,249,895.00</b> | <b>58,325.00</b> | <b>5,308,220.00</b> | <b>6,609,803.41</b> | <b>1,301,583.41</b>                   |
| Federal Sources:   |                     |                  |                     |                     |                                       |
| Medicaid Reimbursement   | 20,988.00           |                  | 20,988.00           | 46,056.31           | 25,068.31                             |
| <b>Total - Federal Sources</b>   | <b>20,988.00</b>    | <b>-</b>         | <b>20,988.00</b>    | <b>46,056.31</b>    | <b>25,068.31</b>                      |
| <b>Total Revenues</b>  | <b>8,017,586.00</b> | <b>58,325.00</b> | <b>8,075,911.00</b> | <b>9,456,029.33</b> | <b>1,380,118.33</b>                   |

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018**

|   | Original Budget | Budget Transfers | Final Budget | Actual       | Variance Under/(Over) Final to Actual |
|---|-----------------|------------------|--------------|--------------|---------------------------------------|
| <b>EXPENDITURES:</b>                          |                 |                  |              |              |                                       |
| <b>Current Expense:</b>                       |                 |                  |              |              |                                       |
| Regular Programs - Instruction:               |                 |                  |              |              |                                       |
| Salaries of Teachers:                         |                 |                  |              |              |                                       |
| Preschool                                     |                 | 41,108.93        | 41,108.93    | 41,108.93    | -                                     |
| Kindergarten                                  | 298,590.00      | (15,585.25)      | 283,004.75   | 276,772.00   | 6,232.75                              |
| Grades 1-5                                    | 1,036,337.00    | 19,659.61        | 1,055,996.61 | 1,039,963.36 | 16,033.25                             |
| Grades 6-8                                    | 640,498.00      | (26,373.36)      | 614,124.64   | 613,191.89   | 932.75                                |
| Regular P Programs - Home Instruction:        |                 |                  |              |              |                                       |
| Salaries of Teachers                          | 10,000.00       | 12,122.75        | 22,122.75    | 22,122.75    | -                                     |
| Purchased Professional - Educational Services | -               | -                | -            | -            | -                                     |
| Regular Programs - Undistributed Instruction: |                 |                  |              |              |                                       |
| Purchased Professional - Educational Services | 103,000.00      | -                | 103,000.00   | 76,559.20    | 26,440.80                             |
| Other Purchased Services                      | 19,700.00       | -                | 19,700.00    | 19,512.72    | 187.28                                |
| General Supplies                              | 159,920.00      | 2,606.28         | 162,526.28   | 147,137.65   | 15,388.63                             |
| Total Regular Programs                        | 2,268,045.00    | 33,538.96        | 2,301,583.96 | 2,236,368.50 | 65,215.46                             |
| Visual Impairments                            |                 |                  |              |              |                                       |
| Purchased Professional - Educational Services | 3,700.00        | 100.00           | 3,800.00     | 3,800.00     | -                                     |
| Total Visual Impairments                      | 3,700.00        | 100.00           | 3,800.00     | 3,800.00     | -                                     |
| Multiple Disabilities                         |                 |                  |              |              |                                       |
| Salaries of Teachers                          | 374,406.00      | 20,846.00        | 395,252.00   | 395,252.00   | -                                     |
| Other Salaries for Instruction                | 79,103.00       | 17,335.80        | 96,438.80    | 96,311.12    | 127.68                                |
| General Supplies                              | 500.00          | -                | 500.00       | -            | 500.00                                |
| Total Multiple Disabilities                   | 454,009.00      | 38,181.80        | 492,190.80   | 491,563.12   | 627.68                                |
| Resource Room/Resource Center                 |                 |                  |              |              |                                       |
| Salaries of Teachers                          | 298,921.00      | 2,248.32         | 301,169.32   | 300,017.81   | 1,151.51                              |
| Total Resource Room/Resource Center           | 298,921.00      | 2,248.32         | 301,169.32   | 300,017.81   | 1,151.51                              |

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018**

|  | Original Budget                   | Budget Transfers        | Final Budget                      | Actual                           | Variance Under/(Over) Final to Actual |
|--|-----------------------------------|-------------------------|-----------------------------------|----------------------------------|---------------------------------------|
| Total Special Education - Instruction  | 756,630.00                        | 40,530.12               | 797,160.12                        | 795,380.93                       | 1,779.19                              |
| Basic Skills/Remedial - Instruction:<br>Salaries of Teachers   | 152,512.00                        | (109,530.12)            | 42,981.88                         | 37,967.51                        | 5,014.37                              |
| Total Basic Skills/Remedial - Instruction  | 152,512.00                        | (109,530.12)            | 42,981.88                         | 37,967.51                        | 5,014.37                              |
| Bilingual Education - Instruction:<br>Salaries of Teachers<br>General Supplies                                 | 61,648.00<br>200.00               | -<br>-                  | 61,648.00<br>200.00               | 61,648.00<br>142.39              | -<br>57.61                            |
| Total Bilingual Education - Instruction  | 61,848.00                         | -                       | 61,848.00                         | 61,790.39                        | 57.61                                 |
| School Sponsored Cocurricular Activities - Instruction:<br>Salaries<br>Supplies and Materials<br>Other Objects | 47,830.00<br>1,200.00<br>4,000.00 | -<br>-<br>-             | 47,830.00<br>1,200.00<br>4,000.00 | 40,010.99<br>938.18<br>2,683.78  | 7,819.01<br>261.82<br>1,316.22        |
| Total School Sponsored Cocurricular Activities - Instruction   | 53,030.00                         | -                       | 53,030.00                         | 43,632.95                        | 9,397.05                              |
| School Sponsored Athletics - Instruction:<br>Salaries<br>Purchased Services<br>Supplies and Materials          | 9,792.00<br>2,000.00<br>1,200.00  | -<br>(357.74)<br>357.74 | 9,792.00<br>1,642.26<br>1,557.74  | 6,490.25<br>1,060.00<br>1,264.74 | 3,301.75<br>582.26<br>293.00          |
| Total School Sponsored Athletics - Instruction   | 12,992.00                         | -                       | 12,992.00                         | 8,814.99                         | 4,177.01                              |
| Total Instruction  | 3,305,057.00                      | (35,461.04)             | 3,269,595.96                      | 3,183,955.27                     | 85,640.69                             |

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018**

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual     | Variance<br>Under/(Over)<br>Final to Actual |
|--|--------------------|---------------------|-----------------|------------|---|
| Undistributed Expenditures - Instruction:  |                    |                     |                 |            |   |
| Tuition to Other LEAs Within State - Special   | 83,400.00          | 78,498.03           | 161,898.03      | 157,837.89 | 4,060.14                                    |
| Tuition to CSSD & Regional Day Schools   | 387,210.00         | (112,797.47)        | 274,412.53      | 189,675.00 | 84,737.53                                   |
| Tuition to Private Schools for the Disabled - Within State                                 | -                  | 7,573.44            | 7,573.44        | 7,573.44   | -   |
| Total Undistributed Expenditures - Instruction   | 470,610.00         | (26,726.00)         | 443,884.00      | 355,086.33 | 88,797.67                                   |
| Undistributed Expenditures - Attendance and Social Work:                                   |                    |                     |                 |            |   |
| Salaries   | 75,192.00          | 150.00              | 75,342.00       | 71,156.89  | 4,185.11                                    |
| Total Undistributed Expenditures - Attendance and Social Work                              | 75,192.00          | 150.00              | 75,342.00       | 71,156.89  | 4,185.11                                    |
| Undistributed Expenditures - Health Services:  |                    |                     |                 |            |   |
| Salaries   | 105,579.00         | (150.00)            | 105,429.00      | 103,759.05 | 1,669.95                                    |
| Purchased Professional and Technical Services  | 12,500.00          | 26,726.00           | 39,226.00       | 37,546.00  | 1,680.00                                    |
| Supplies and Materials   | 4,565.00           | -                   | 4,565.00        | 3,467.70   | 1,097.30                                    |
| Total Undistributed Expenditures - Health Services   | 122,644.00         | 26,576.00           | 149,220.00      | 144,772.75 | 4,447.25                                    |
| Undistributed Expenditures - Other Support Services -<br>Students - Related Services:      |                    |                     |                 |            |   |
| Salaries of Other Professional Staff   | 57,368.00          | (1,141.30)          | 56,226.70       | 46,823.45  | 9,403.25                                    |
| Purchased Professional - Educational Services  | 50,000.00          | -                   | 50,000.00       | 42,772.50  | 7,227.50                                    |
| Supplies and Materials   | 200.00             | 1,141.30            | 1,341.30        | 1,341.30   | -   |
| Total Undistributed Expenditures - Other Support Services -<br>Students - Related Services | 107,568.00         | -                   | 107,568.00      | 90,937.25  | 16,630.75                                   |

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018**

|   | Original Budget   | Budget Transfers  | Final Budget      | Actual            | Variance Under/(Over) Final to Actual |
|---|-------------------|-------------------|-------------------|-------------------|---------------------------------------|
| Undistributed Expenditures - Other Support Services - Students - Guidance:                      |                   |                   |                   |                   |                                       |
| Salaries of Other Professional Staff  | 170,562.00        | -                 | 170,562.00        | 170,537.00        | 25.00                                 |
| Other Purchased Professional and Technical Services   | -                 | -                 | -                 | -                 | -                                     |
| Supplies and Materials  | 2,500.00          | (1,227.28)        | 1,272.72          | 648.43            | 624.29                                |
| <b>Total Undistributed Expenditures - Other Support Services - Students - Guidance</b>          | <b>173,062.00</b> | <b>(1,227.28)</b> | <b>171,834.72</b> | <b>171,185.43</b> | <b>649.29</b>                         |
| Undistributed Expenditures - Other Support Services - Students - Child Study Teams:             |                   |                   |                   |                   |                                       |
| Salaries of Other Professional Staff  | 235,450.00        | (321.75)          | 235,128.25        | 235,127.15        | 1.10                                  |
| Salaries of Secretarial and Clerical Assistants   | 45,032.00         | -                 | 45,032.00         | 45,032.00         | -                                     |
| Purchase Professional-Ed Services   | -                 | -                 | -                 | -                 | -                                     |
| Other Purchased Professional and Technical Services   | 24,960.00         | (144.34)          | 24,815.66         | 17,428.00         | 7,387.66                              |
| Other Purchased Services  | 2,200.00          | 153.31            | 2,353.31          | 2,175.24          | 178.07                                |
| Miscellaneous Purchased Services  | 500.00            | 388.83            | 888.83            | 888.83            | -                                     |
| Supplies and Materials  | 3,500.00          | (76.05)           | 3,423.95          | 3,313.61          | 110.34                                |
| Other Objects   | 1,100.00          | -                 | 1,100.00          | 1,092.00          | 8.00                                  |
| <b>Total Undistributed Expenditures - Other Support Services - Students - Child Study Teams</b> | <b>312,742.00</b> | <b>(0.00)</b>     | <b>312,742.00</b> | <b>305,056.83</b> | <b>7,685.17</b>                       |
| Undistributed Expenditures - Improvement of Instruction Services:                               |                   |                   |                   |                   |                                       |
| Salaries of Supervisor of Instruction   | 54,811.00         | -                 | 54,811.00         | 54,810.50         | 0.50                                  |
| Salaries of Other Professional Staff  | 60,081.00         | -                 | 60,081.00         | 60,081.00         | -                                     |
| Other Purchased Services  | -                 | -                 | -                 | -                 | -                                     |
| Other Objects   | -                 | -                 | -                 | -                 | -                                     |
| <b>Total Undistributed Expenditures - Improv. of Instr. Services</b>                            | <b>114,892.00</b> | <b>-</b>          | <b>114,892.00</b> | <b>114,891.50</b> | <b>0.50</b>                           |

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018**

|   | Original Budget   | Budget Transfers | Final Budget      | Actual            | Variance Under/(Over) Final to Actual |
|---|-------------------|------------------|-------------------|-------------------|---------------------------------------|
| Undistributed Expenditures - Educational Media Services - School Library              |                   |                  |                   |                   |                                       |
| Salaries  | 24,978.00         | -                | 24,978.00         | 24,978.00         | -                                     |
| Purchased Professional and Technical Services   | 6,400.00          | (659.00)         | 5,741.00          | 4,453.00          | 1,288.00                              |
| Supplies and Materials  | 2,500.00          | -                | 2,500.00          | 2,293.68          | 206.32                                |
| <b>Total Undistributed Expenditures - Educational Media Services - School Library</b> | <b>33,878.00</b>  | <b>(659.00)</b>  | <b>33,219.00</b>  | <b>31,724.68</b>  | <b>1,494.32</b>                       |
| Undistributed Expenditures - Instruction Staff Training Service                       |                   |                  |                   |                   |                                       |
| Salaries of Other Professional Services   | 9,600.00          | 712.38           | 10,312.38         | 10,312.38         | -                                     |
| Other Purchased Services  | 6,000.00          | (712.38)         | 5,287.62          | 2,677.76          | 2,609.86                              |
| <b>Total Undistributed Expenditures - Instruction Staff Training Service</b>          | <b>15,600.00</b>  | <b>-</b>         | <b>15,600.00</b>  | <b>12,990.14</b>  | <b>2,609.86</b>                       |
| Undistributed Expenditures - Support Services - Gen. Admin.:                          |                   |                  |                   |                   |                                       |
| Salaries  | 111,970.00        | 19,000.00        | 130,970.00        | 111,970.00        | 19,000.00                             |
| Legal Services  | 5,000.00          | (2,542.93)       | 2,457.07          | 850.00            | 1,607.07                              |
| Audit Fees  | 19,000.00         | -                | 19,000.00         | 18,000.00         | 1,000.00                              |
| Other Purchased Professional Services   | 1,000.00          | -                | 1,000.00          | -                 | 1,000.00                              |
| Communications/Telephone  | 32,540.00         | (291.05)         | 32,248.95         | 19,766.04         | 12,482.91                             |
| Other Purchased Services  | 24,710.00         | 291.05           | 25,001.05         | 25,001.05         | -                                     |
| General Supplies  | 2,100.00          | -                | 2,100.00          | 1,463.45          | 636.55                                |
| BOE In-House Training and Meeting Supplies  | 2,000.00          | -                | 2,000.00          | 518.67            | 1,481.33                              |
| Miscellaneous Expenditures  | 2,750.00          | 40.00            | 2,790.00          | 2,790.00          | -                                     |
| BOE Membership Dues and Fees  | 5,100.00          | (40.00)          | 5,060.00          | 4,597.59          | 462.41                                |
| <b>Total Undistributed Expenditures - Support Services - Gen. Admin.</b>              | <b>206,170.00</b> | <b>16,457.07</b> | <b>222,627.07</b> | <b>184,956.80</b> | <b>37,670.27</b>                      |
| Undistributed Expenditures - Support Serv. - School Admin.:                           |                   |                  |                   |                   |                                       |
| Salaries of Principals and Assistant Principals                                       | 112,624.00        | 20,000.00        | 132,624.00        | 112,624.00        | 20,000.00                             |
| Salaries of Secretarial and Clerical Assistants                                       | 107,713.00        | 1,750.41         | 109,463.41        | 109,463.41        | -                                     |
| Other Purchased Services  | 7,900.00          | (25.23)          | 7,874.77          | 7,126.41          | 748.36                                |
| Supplies and Materials  | 9,200.00          | (1,725.18)       | 7,474.82          | 6,629.29          | 845.53                                |
| Other Objects   | 1,500.00          | -                | 1,500.00          | 1,169.97          | 330.03                                |
| <b>Total Undistributed Expenditures - Support Serv. - School Admin.</b>               | <b>238,937.00</b> | <b>20,000.00</b> | <b>258,937.00</b> | <b>237,013.08</b> | <b>21,923.92</b>                      |



**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018**

|  | Original Budget   | Budget Transfers | Final Budget      | Actual            | Variance Under/(Over) Final to Actual |
|--|-------------------|------------------|-------------------|-------------------|---------------------------------------|
| Undistributed Expenditures - Central Services  |                   |                  |                   |                   |                                       |
| Salaries   | 184,294.00        | 20,000.00        | 204,294.00        | 164,294.00        | 40,000.00                             |
| Purchased Professional Services  | 1,400.00          | 3,830.00         | 5,230.00          | 2,880.00          | 2,350.00                              |
| Purchased Technical Services   | 22,950.00         | (1,709.56)       | 21,240.44         | 21,165.50         | 74.94                                 |
| Misc. Purchased Services   | 1,000.00          | (57.94)          | 942.06            | 612.36            | 329.70                                |
| Supplies and Materials   | 2,000.00          | 290.43           | 2,290.43          | 2,270.72          | 19.71                                 |
| Other Objects  | 1,200.00          | 190.00           | 1,390.00          | 1,390.00          | -                                     |
| <b>Total Undistributed Expenditures - Central Services</b>   | <b>212,844.00</b> | <b>22,542.93</b> | <b>235,386.93</b> | <b>192,612.58</b> | <b>42,774.35</b>                      |
| Undistributed Expenditures - Admin. Info Technology  |                   |                  |                   |                   |                                       |
| Salaries   | 24,245.00         | -                | 24,245.00         | 24,245.00         | -                                     |
| Purchased Technical Services   | 13,499.00         | -                | 13,499.00         | 13,499.00         | -                                     |
| <b>Total Undistributed Expenditures - Admin. Info Technology</b>   | <b>37,744.00</b>  | <b>-</b>         | <b>37,744.00</b>  | <b>37,744.00</b>  | <b>-</b>                              |
| Undistributed Expenditures - Required Maint for School Facilities  |                   |                  |                   |                   |                                       |
| Salaries   | 76,505.00         | -                | 76,505.00         | 76,505.00         | -                                     |
| Cleaning, Repair, and Maintenance Services   | 108,491.00        | 22,424.32        | 130,915.32        | 128,236.69        | 2,678.63                              |
| General Supplies   | 17,100.00         | (2,195.87)       | 14,904.13         | 11,572.94         | 3,331.19                              |
| <b>Total Undistributed Expenditures - Required Maint for School Facilities</b>                             | <b>202,096.00</b> | <b>20,228.45</b> | <b>222,324.45</b> | <b>216,314.63</b> | <b>6,009.82</b>                       |
| Undistributed Expenditures - Operation and Maintenance of Plant Services - Custodial Services              |                   |                  |                   |                   |                                       |
| Salaries   | 226,991.00        | (389.06)         | 226,601.94        | 225,169.01        | 1,432.93                              |
| Purchased Professional and Technical Services  | 7,000.00          | 5,229.95         | 12,229.95         | 12,229.95         | -                                     |
| Cleaning, Repair and Maintenance Services  | 15,380.00         | (3,083.07)       | 12,296.93         | 3,085.00          | 9,211.93                              |
| Other Purchased Property Services  | 15,000.00         | 14,190.25        | 29,190.25         | 25,174.75         | 4,015.50                              |
| Insurance  | 32,600.00         | (4,014.00)       | 28,586.00         | 28,586.00         | -                                     |
| General Supplies   | 29,700.00         | -                | 29,700.00         | 23,825.80         | 5,874.20                              |
| Energy (Natural Gas)   | 122,000.00        | (7,402.33)       | 114,597.67        | 92,347.36         | 22,250.31                             |
| Energy (Heat and Electricity)  | 195,000.00        | -                | 195,000.00        | 166,760.18        | 28,239.82                             |
| Other Objects  | 600.00            | -                | 600.00            | 485.80            | 114.20                                |
| <b>Total Undistributed Expenditures - Operation and Maintenance of Plant Services - Custodial Services</b> | <b>644,271.00</b> | <b>4,531.74</b>  | <b>648,802.74</b> | <b>577,663.85</b> | <b>71,138.89</b>                      |

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018**

|   | Original<br>Budget  | Budget<br>Transfers | Final<br>Budget     | Actual              | Variance<br>Under/(Over)<br>Final to Actual |
|---|---------------------|---------------------|---------------------|---------------------|---|
| Undistributed Expenditures - Student Transportation Services:                         |                     |                     |                     |                     |   |
| Contracted Services (Other than Bet. Home & School) - Vendors                         | 9,188.00            | -                   | 9,188.00            | 7,667.51            | 1,520.49                                    |
| Contracted Services - (Between Home and School) - Joint Agree.                        | 87,672.00           | (9,812.00)          | 77,860.00           | 53,043.06           | 24,816.94                                   |
| Contracted Services - (Special Ed Students) - Joint Agreements                        | 125,800.00          | -                   | 125,800.00          | 96,383.93           | 29,416.07                                   |
| Contracted Services - Aid in Lieu of Payments - NonPub Sch.                           | 8,840.00            | -                   | 8,840.00            | 4,021.79            | 4,818.21                                    |
| Contracted Services - Aid in Lieu of Payments - Charter Sch.                          | 6,188.00            | 9,812.00            | 16,000.00           | 10,500.00           | 5,500.00                                    |
| <b>Total Undistributed Expenditures - Student Transportation Serv.</b>                | <b>237,688.00</b>   | <b>-</b>            | <b>237,688.00</b>   | <b>171,616.29</b>   | <b>66,071.71</b>                            |
| Unallocated Benefits:   |                     |                     |                     |                     |   |
| Social Security Contributions   | 107,000.00          | 4,423.96            | 111,423.96          | 111,347.46          | 76.50                                       |
| Other Retirement Contributions - PERS   | 127,800.00          | (707.50)            | 127,092.50          | 121,220.35          | 5,872.15                                    |
| Unemployment Compensation   | 17,082.00           | 707.50              | 17,789.50           | 17,789.50           | -   |
| Workmen's Compensation  | 46,725.00           | -                   | 46,725.00           | 45,357.00           | 1,368.00                                    |
| Health Benefits   | 1,147,154.00        | (54,078.06)         | 1,093,075.94        | 965,214.04          | 127,861.90                                  |
| Tuition Reimbursement   | 27,000.00           | -                   | 27,000.00           | 1,500.00            | 25,500.00                                   |
| Other Employee Benefits   | -                   | 19,062.50           | 19,062.50           | 17,812.50           | 1,250.00                                    |
| <b>Total Unallocated Benefits</b>   | <b>1,472,761.00</b> | <b>(30,591.60)</b>  | <b>1,442,169.40</b> | <b>1,280,240.85</b> | <b>161,928.55</b>                           |
| On-behalf TPAF Pension Contributions (non-budgeted)                                   |                     |                     |                     | 595,259.00          | (595,259.00)                                |
| On-behalf TPAF Pension Contributions-Post Retirement<br>Medical (non-budgeted)        |                     |                     |                     | 384,465.00          | (384,465.00)                                |
| On-behalf TPAF Pension Contributions-Long Term Disability<br>Insurance (non-budgeted) |                     |                     |                     | 729.00              | (729.00)                                    |
| Reimbursed TPAF Social Security Contributions (non-budgeted)                          |                     |                     |                     | 298,930.41          | (298,930.41)                                |
| <b>Total On-behalf Contributions</b>  |                     |                     | <b>-</b>            | <b>1,279,383.41</b> | <b>(1,279,383.41)</b>                       |
| <b>Total Undistributed Expenditures</b>   | <b>4,678,699.00</b> | <b>51,282.31</b>    | <b>4,729,981.31</b> | <b>5,475,347.29</b> | <b>(745,365.98)</b>                         |
| <b>Total Current Expense</b>  | <b>7,983,756.00</b> | <b>15,821.27</b>    | <b>7,999,577.27</b> | <b>8,659,302.56</b> | <b>(659,725.29)</b>                         |

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018**

|   | Original<br>Budget  | Budget<br>Transfers | Final<br>Budget     | Actual              | Variance<br>Under/(Over)<br>Final to Actual |
|---|---------------------|---------------------|---------------------|---------------------|---|
| <b>Capital Outlay:</b>  |                     |                     |                     |                     |   |
| Interest Deposit to Capital Reserve                                       | 20.00               |                     | 20.00               | -                   | 20.00                                       |
| Total Deposit to Capital Reserve  | 20.00               | -                   | 20.00               | -                   | 20.00                                       |
| Facilities Acquisition and Construction Services<br>Construction Services | -                   |                     |                     |                     | -   |
| Debt Service Assessment on SDA Funding                                    | 195,873.00          | -                   | 195,873.00          | 195,873.00          | -   |
|   | 195,873.00          | -                   | 195,873.00          | 195,873.00          | -   |
| <b>Total Capital Outlay</b>   | <b>195,893.00</b>   | <b>-</b>            | <b>195,893.00</b>   | <b>195,873.00</b>   | <b>20.00</b>                                |
| <b>Transfer to Charter Schools</b>  | <b>80,312.00</b>    | <b>104,157.00</b>   | <b>184,469.00</b>   | <b>184,469.00</b>   | <b>-</b>                                    |
| <b>Total Expenditures</b>   | <b>8,259,961.00</b> | <b>119,978.27</b>   | <b>8,379,939.27</b> | <b>9,039,644.56</b> | <b>(659,705.29)</b>                         |
| Excess (Deficiency) of Revenues Over (Under) Expenditures                 | (242,375.00)        | (61,653.27)         | (304,028.27)        | 416,384.77          | 720,413.04                                  |
| Other Financing Sources (Uses)<br>Operating Transfers In:                 |                     |                     |                     |                     |   |
| Capital Reserve Transfer from Capital Projects                            | -                   |                     |                     | -                   | -   |
| Withdrawal from Capital Reserve for Local Share                           | -                   |                     | -                   | -                   | -   |
| Operating Transfers Out:  |                     |                     |                     |                     |   |
| Cancellation of prior year receivables                                    | -                   |                     | -                   | -                   | -   |
| Increase in Capital Reserve   | -                   |                     | -                   | -                   | -   |
| Local Contribution-Transfer to Special Revenue - Regular                  | (167,412.00)        | 119,978.27          | (47,433.73)         | (46,609.04)         | 824.69                                      |
| Total Other Financing Sources (Uses)                                      | (167,412.00)        | 119,978.27          | (47,433.73)         | (46,609.04)         | 824.69                                      |

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018**

|                             | Original<br>Budget | Budget<br>Transfers | Final<br>Budget     | Actual              | Variance<br>Under/(Over)<br>Final to Actual |
|-----------------------------|--------------------|---------------------|---------------------|---------------------|---|
| Net change in fund balances | (409,787.00)       | 58,325.00           | (351,462.00)        | 369,775.73          | 721,237.73                                  |
| Fund Balances, July 1       | 1,391,129.30       |                     | 1,391,129.30        | 1,391,129.30        | -   |
| Fund Balances, June 30      | <u>981,342.30</u>  | <u>58,325.00</u>    | <u>1,039,667.30</u> | <u>1,760,905.03</u> | <u>721,237.73</u>                           |

Reconciliation of Net Change in Fund Balance:  
 Prior Year Encumbrances 8,670.00  
 Anticipated in FY18 Budget 401,117.00

409,787.00

Recapitulation of Fund Balance:

|  |                     |
|--|---------------------|
| <b>Restricted Fund Balance</b>   | 571,798.04          |
| Excess Surplus   | 524,452.78          |
| Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures | 271,404.65          |
| <b>Committed Fund Balance</b>  | 31,481.63           |
| Capital Reserve  | 62,581.22           |
| Maintenance Reserve  | 31,046.71           |
| <b>Assigned Fund Balance</b>   | 268,140.00          |
| Designated for Subsequent Year's Expenditures                              | 1,760,905.03        |
| Reserve for Encumbrances   | (510,671.00)        |
| <b>Unassigned Fund Balance</b>   | <u>1,250,234.03</u> |

Reconciliation to Governmental Funds Statements (GAAP)  
 Last State Aid Payment Not Recognized on GAAP Basis

Fund Balance per Governmental Funds (GAAP) 1,250,234.03

**Egg Harbor City School District  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2018**

|  | Original Budget     | Budget Transfers | Final Budget        | Actual              | Variance Under/(Over) Final to Actual |
|--|---------------------|------------------|---------------------|---------------------|---------------------------------------|
| <b>REVENUES:</b>                       |                     |                  |                     |                     |                                       |
| Local Sources:                         |                     |                  |                     |                     |                                       |
| Revenue from Local Sources             | 4,734.25            | 7,050.00         | 11,784.25           | 7,767.61            | (4,016.64)                            |
| Total - Local Sources                  | 4,734.25            | 7,050.00         | 11,784.25           | 7,767.61            | (4,016.64)                            |
| State Sources:                         |                     |                  |                     |                     |                                       |
| Preschool Education Aid                | 360,300.00          |                  | 360,300.00          | 360,300.00          | -                                     |
| Total - State Sources                  | 360,300.00          | -                | 360,300.00          | 360,300.00          | -                                     |
| Federal Sources:                       |                     |                  |                     |                     |                                       |
| Title I                                | 441,003.79          | -                | 441,003.79          | 386,419.40          | (54,584.39)                           |
| Title II                               | 25,179.00           | -                | 25,179.00           | 25,179.00           | -                                     |
| I.D.E.A., Part B                       | 175,731.00          | -                | 175,731.00          | 175,731.00          | -                                     |
| Preschool Development Expansion        | 257,993.00          | 511.00           | 258,504.00          | 245,572.47          | (12,931.53)                           |
| Other                                  | 448,866.89          | -                | 448,866.89          | 376,727.12          | (72,139.77)                           |
| Total - Federal Sources                | 1,348,773.68        | 511.00           | 1,349,284.68        | 1,209,628.99        | (139,655.69)                          |
| <b>Total Revenues</b>                  | <b>1,713,807.93</b> | <b>7,561.00</b>  | <b>1,721,368.93</b> | <b>1,577,696.60</b> | <b>(143,672.33)</b>                   |
| <b>EXPENDITURES:</b>                   |                     |                  |                     |                     |                                       |
| <b>Instruction</b>                     |                     |                  |                     |                     |                                       |
| Salaries of Teachers                   | 732,242.33          | (16,462.16)      | 715,780.17          | 696,844.87          | 18,935.30                             |
| Other salaries for instruction         | 87,261.00           | 30,222.07        | 117,483.07          | 117,483.07          | -                                     |
| Salaries of other professional staff   | -                   | -                | -                   | -                   | -                                     |
| Purchased prof. and technical services | 43,614.99           | (159.00)         | 43,455.99           | 22,973.87           | 20,482.12                             |
| Tuition                                | 175,731.00          | -                | 175,731.00          | 175,731.00          | -                                     |
| Other Purchased services               | -                   | -                | -                   | -                   | -                                     |
| General supplies                       | 69,595.14           | 6,186.59         | 75,781.73           | 46,188.53           | 29,593.20                             |
| Textbooks                              | -                   | -                | -                   | -                   | -                                     |
| Other objects                          | 6,011.00            | 540.00           | 6,551.00            | 4,871.71            | 1,679.29                              |
| <b>Total instruction</b>               | <b>1,114,455.46</b> | <b>20,327.50</b> | <b>1,134,782.96</b> | <b>1,064,093.05</b> | <b>70,689.91</b>                      |

Egg Harbor City School District  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2018

|   | Original Budget     | Budget Transfers | Final Budget        | Actual              | Variance Under/(Over) Final to Actual |
|---|---------------------|------------------|---------------------|---------------------|---------------------------------------|
| <b>EXPENDITURES (CONT'D):</b>                                 |                     |                  |                     |                     |                                       |
| <b>Support Services</b>                                       |                     |                  |                     |                     |                                       |
| Salaries of Other Professional Staff                          | 46,614.00           | 218.60           | 46,832.60           | 46,832.60           | -                                     |
| Salaries of Program Directors                                 | -                   | 18,720.00        | 18,720.00           | 12,226.50           | 6,493.50                              |
| Other Salaries  | 126,485.52          | 2,406.00         | 128,891.52          | 106,965.94          | 21,925.58                             |
| Salaries of Supervisors of Instruction                        | 13,136.00           | -                | 13,136.00           | 13,136.00           | -                                     |
| Personal Services - Employee Benefits                         | 327,387.34          | (3,867.04)       | 323,520.30          | 311,146.10          | 12,374.20                             |
| Purchased professional educational service                    | 2,530.00            | -                | 2,530.00            | -                   | 2,530.00                              |
| Purchased Technical Services                                  | 35,250.00           | -                | 35,250.00           | 23,100.00           | 12,150.00                             |
| Other Purchased Services                                      | 33,880.89           | (712.46)         | 33,168.43           | 23,255.93           | 9,912.50                              |
| Cleaning, Repair & Maint. Services                            | 4,000.00            | -                | 4,000.00            | -                   | 4,000.00                              |
| Travel  | 4,253.16            | (617.00)         | 3,636.16            | 2,317.87            | 1,318.29                              |
| Supplies & Materials  | 3,625.46            | (548.21)         | 3,077.25            | 1,798.90            | 1,278.35                              |
| Other Objects   | 2,190.10            | 18,242.65        | 20,432.75           | 19,432.75           | 1,000.00                              |
| <b>Total support services</b>                                 | <u>599,352.47</u>   | <u>33,842.54</u> | <u>633,195.01</u>   | <u>560,212.59</u>   | <u>72,982.42</u>                      |
| <b>Facilities acquisition and construction services:</b>      |                     |                  |                     |                     |                                       |
| Instructional Equipment                                       | -                   | -                | -                   | -                   | -                                     |
| <b>Total facilities acquisition and construction services</b> | <u>-</u>            | <u>-</u>         | <u>-</u>            | <u>-</u>            | <u>-</u>                              |
| <b>Transfers to Charter Schools</b>                           |                     |                  |                     |                     |                                       |
|   |                     |                  |                     |                     |                                       |
| <b>Total expenditures</b>                                     | <u>1,713,807.93</u> | <u>54,170.04</u> | <u>1,767,977.97</u> | <u>1,624,305.64</u> | <u>143,672.33</u>                     |
| <b>Other financing sources</b>                                |                     |                  |                     |                     |                                       |
| Transfer from other funds                                     |                     | 46,609.04        | 46,609.04           | 46,609.04           | -                                     |
| Total other financing sources                                 | -                   | 46,609.04        | 46,609.04           | 46,609.04           | -                                     |
| <b>Total outflows</b>   | <u>1,713,807.93</u> | <u>7,561.00</u>  | <u>1,721,368.93</u> | <u>1,577,696.60</u> | <u>143,672.33</u>                     |
| Excess (Deficiency) of Revenues Over (Under) Expenditures     | <u>-</u>            | <u>-</u>         | <u>-</u>            | <u>-</u>            | <u>(0.00)</u>                         |

**Egg Harbor City School District  
Required Supplementary Information  
Budgetary Comparison Schedule  
Notes to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2018**

**Note A - Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

|  | General<br>Fund | Special<br>Revenue |
|--|-----------------|--------------------|
| <b>Sources/inflows of resources</b>  |                 |                    |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule  | \$ 9,456,029.33 | 1,577,696.60       |
| Difference - budget to GAAP:   |                 |                    |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized  |                 |                    |
| Prior year   |                 | -                  |
| Current year   |                 | -                  |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.  | 479,346.00      | -                  |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.   | (510,671.00)    | -                  |
| Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds   | 9,424,704.33    | 1,577,696.60       |
| <b>Uses/outflows of resources</b>  |                 |                    |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule   | 9,039,644.56    | 1,624,305.64       |
| Differences - budget to GAAP:  |                 |                    |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes |                 |                    |
| Prior year   |                 | -                  |
| Current year   |                 | -                  |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds   | \$ 9,039,644.56 | 1,624,305.64       |

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**Required Supplemental Information  
Part III**

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**CITY OF EGG HARBOR SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employee Retirement System**  
**Last Five Fiscal Years**

|   | 2017          | 2016          | 2015          | 2014          | 2013          |
|---|---------------|---------------|---------------|---------------|---------------|
| District's proportion of the net pension liability (asset)  | 1.2339684700% | 0.0117957772% | 0.0126910508% | 0.0127197761% | 0.0116694603% |
| District's proportionate of the net pension liability (asset)   | \$ 2,872,481  | 3,493,571.00  | 2,848,887.00  | 2,381,490.00  | 2,230,266.00  |
| District's covered payroll  | 900,417       | 882,359.00    | 846,480.00    | 859,952.00    | 825,778.00    |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 319.02%       | 395.94%       | 336.56%       | 276.93%       | 270.08%       |
| Plan fiduciary net position as a percentage of the total pension liability  | 48.10%        | 40.14%        | 47.93%        | 52.08%        | 48.72%        |

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for five years. Additional years will be presented as they become available.

**CITY OF EGG HARBOR SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employee Retirement System**  
**Last Five Fiscal Years**

|  | 2017              | 2016              | 2015              | 2014           | 2013          |
|--|-------------------|-------------------|-------------------|----------------|---------------|
| Contractually required contribution                                  | \$ 116,943.42     | 105,899.00        | 109,019.00        | 104,860.00     | 87,927.00     |
| Contributions in relation to the contractually required contribution | <u>116,943.42</u> | <u>105,899.00</u> | <u>109,019.00</u> | <u>104,860</u> | <u>87,927</u> |
| Contribution deficiency (excess)                                     | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>       | <u>-</u>      |
| District's covered-employee payroll                                  | 900,417.00        | 882,359.00        | 846,480.00        | 859,952.00     | 825,778.00    |
| Contributions as a percentage of covered-employee payroll            | 12.99%            | 12.00%            | 12.88%            | 12.19%         | 10.65%        |

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for five years. Additional years will be presented as they become available.

**CITY OF EGG HARBOR SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Five Fiscal Years**

|   | 2017                        | 2016                        | 2015                        | 2014                        | 2013                        |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| District's proportion of the net pension liability (asset)  | 0.00%                       | 0.00%                       | 0.00%                       | 0.00%                       | 0.00%                       |
| District's proportionate of the net pension liability (asset)   | -                           | -                           | -                           | -                           | -                           |
| State's proportionate share of the net pension liability (asset) associated with the District                       | <u>26,747,834.00</u>        | <u>31,677,826.00</u>        | <u>26,186,378.00</u>        | <u>22,177,091.00</u>        | <u>20,748,898.00</u>        |
| <b>Total</b>  | <u><u>26,747,834.00</u></u> | <u><u>31,677,826.00</u></u> | <u><u>26,186,378.00</u></u> | <u><u>22,177,091.00</u></u> | <u><u>20,748,898.00</u></u> |
| District's covered payroll  | 4,091,727.00                | 4,037,171.00                | 4,030,324.00                | 4,071,497.00                | 4,148,221.00                |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 0.00%                       | 0.00%                       | 0.00%                       | 0.00%                       | 0.00%                       |
| Plan fiduciary net position as a percentage of the total pension liability  | 25.41%                      | 22.33%                      | 28.71%                      | 33.64%                      | 33.76%                      |

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for five years. Additional years will be presented as they become available.

**CITY OF EGG HARBOR SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Public Employee Retirement System and Teachers' Pension and Annuity Fund**  
**Last Two Fiscal Years**

|  | <u>2017</u>             | <u>2016</u>          |
|--|-------------------------|----------------------|
| District's proportion of the net OPEB liability (asset)  | 0.00%                   | 0.00%                |
| District's proportionate of the net OPEB liability (asset)   | \$ -                    | -                    |
| State's proportionate share of the net OPEB liability (asset) associated with the District                       | <u>\$ 22,895,340.00</u> | <u>24,738,738.00</u> |
| Total  | <u>\$ 22,895,340.00</u> | <u>24,738,738.00</u> |
| District's covered payroll   | 4,992,144.00            | 4,919,530.00         |
| District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll | 0.00%                   | 0.00%                |
| Plan fiduciary net position as a percentage of the total OPEB liability  | 0.00%                   | 0.00%                |

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period.  
However, information is only currently available for two years.  
Additional years will be presented as they become available.

**SPECIAL REVENUE FUND**

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**Egg Harbor City School District  
Special Revenue Fund  
Combining Schedule of Revenue and Expenditures  
Budgetary Basis  
For The Fiscal Year Ended June 30, 2018**

|   | Atlantic<br>Care | Improve<br>School<br>Health | Sustainable<br>Jersey<br>Grant | ACUA<br>Recycle Bowl | Preschool<br>Education | Municipal<br>Alliance | Total<br>State/Local<br>Funds |
|---|------------------|-----------------------------|--------------------------------|----------------------|------------------------|-----------------------|-------------------------------|
| <b>REVENUES:</b>  |                  |                             |                                |                      |                        |                       |                               |
| Local Sources   | 3,359.53         | 169.32                      | 910.77                         | 1,799.99             | 360,300.00             | 1,528.00              | 7,767.61                      |
| State Sources   |                  |                             |                                |                      |                        |                       | 360,300.00                    |
| Federal Sources   |                  |                             |                                |                      |                        |                       | -                             |
| <b>Total revenues</b>   | <b>3,359.53</b>  | <b>169.32</b>               | <b>910.77</b>                  | <b>1,799.99</b>      | <b>360,300.00</b>      | <b>1,528.00</b>       | <b>368,067.61</b>             |
| <b>EXPENDITURES:</b>  |                  |                             |                                |                      |                        |                       |                               |
| Instruction:  |                  |                             |                                |                      |                        |                       |                               |
| Salaries of teachers  |                  |                             | 346.80                         |                      | 190,491.37             |                       | 191,111.17                    |
| Other salaries for instruction                                  | 234.00           | 39.00                       |                                |                      | 91,943.07              |                       | 91,943.07                     |
| Purchased prof. and technical services                          |                  |                             |                                |                      |                        |                       | -                             |
| Tuition   |                  |                             |                                |                      |                        |                       | -                             |
| Other purchased services  |                  | 130.32                      | 38.97                          | 1,799.99             |                        |                       | -                             |
| General supplies  | 3,125.53         |                             |                                |                      |                        |                       | 5,094.81                      |
| Other objects   |                  |                             |                                |                      |                        |                       | -                             |
| <b>Total Instruction</b>  | <b>3,359.53</b>  | <b>169.32</b>               | <b>385.77</b>                  | <b>1,799.99</b>      | <b>282,434.44</b>      | <b>-</b>              | <b>288,149.05</b>             |
| Support services:   |                  |                             |                                |                      |                        |                       |                               |
| Salaries of other professional staff                            |                  |                             |                                |                      | 18,101.60              |                       | 18,101.60                     |
| Salaries of program directors                                   |                  |                             |                                |                      |                        |                       | -                             |
| Other salaries  |                  |                             |                                |                      |                        |                       | -                             |
| Salaries of supervisors of instruction                          |                  |                             |                                |                      | 13,136.00              |                       | 13,136.00                     |
| Personal services- employee benefits                            |                  |                             |                                |                      | 93,237.00              |                       | 93,237.00                     |
| Purchased technical services                                    |                  |                             |                                |                      |                        |                       | -                             |
| Other purchased services  |                  |                             | 525.00                         |                      |                        |                       | 525.00                        |
| Travel  |                  |                             |                                |                      |                        |                       | -                             |
| Supplies and materials  |                  |                             |                                |                      |                        | 96.25                 | 96.25                         |
| Other objects   |                  |                             |                                |                      |                        | 1,431.75              | 1,431.75                      |
| <b>Total support services</b>                                   | <b>-</b>         | <b>-</b>                    | <b>525.00</b>                  | <b>-</b>             | <b>124,474.60</b>      | <b>1,528.00</b>       | <b>126,527.60</b>             |
| Facilities acquisition and const. serv.:                        |                  |                             |                                |                      |                        |                       |                               |
| Instructional equipment   |                  |                             |                                |                      |                        |                       | -                             |
| <b>Total facilities acquisition and construction services</b>   | <b>-</b>         | <b>-</b>                    | <b>-</b>                       | <b>-</b>             | <b>-</b>               | <b>-</b>              | <b>-</b>                      |
| Transfer to charter schools                                     |                  |                             |                                |                      |                        |                       | -                             |
| <b>Total expenditures</b>                                       | <b>3,359.53</b>  | <b>169.32</b>               | <b>910.77</b>                  | <b>1,799.99</b>      | <b>406,909.04</b>      | <b>1,528.00</b>       | <b>414,676.65</b>             |
| Other financing sources   |                  |                             |                                |                      |                        |                       |                               |
| Transfer from other funds                                       |                  |                             |                                |                      | 46,609.04              |                       | 46,609.04                     |
| <b>Total outflows</b>   | <b>3,359.53</b>  | <b>169.32</b>               | <b>910.77</b>                  | <b>1,799.99</b>      | <b>360,300.00</b>      | <b>1,528.00</b>       | <b>368,067.61</b>             |
| <b>Excess (deficiency) of revenue over (under) expenditures</b> | <b>-</b>         | <b>-</b>                    | <b>-</b>                       | <b>-</b>             | <b>-</b>               | <b>-</b>              | <b>-</b>                      |

**Egg Harbor City School District  
Special Revenue Fund  
Combining Schedule of Revenue and Expenditures  
Budgetary Basis  
For The Fiscal Year Ended June 30, 2018**

|  | Title I           |                  | Carryover<br>Title I<br>Part D | Carryover<br>Title I<br>Part A |                   | I.D.E.A. Part<br>B- Basic<br>Instruction |                  | I.D.E.A. Part<br>B- Basic<br>Preschool |        | Title II<br>Part A |  | 21st Century |
|--|-------------------|------------------|--------------------------------|--------------------------------|-------------------|--|------------------|--|--------|--------------------|--|--------------|
|  | Part A            | Part D           |                                | Part A                         | Part D            | Part A                                   | Part D           | Part A                                 | Part D |                    |  |              |
| <b>REVENUES:</b>   |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Local Sources  |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| State Sources  |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Federal Sources  |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Total revenues   | 307,129.35        | 46,984.67        | 32,160.03                      | 145.35                         | 167,434.00        | 8,297.00                                 | 25,179.00        | 287,795.61                             |        |                    |  |              |
|  | <u>307,129.35</u> | <u>46,984.67</u> | <u>32,160.03</u>               | <u>145.35</u>                  | <u>167,434.00</u> | <u>8,297.00</u>                          | <u>25,179.00</u> | <u>287,795.61</u>                      |        |                    |  |              |
| <b>EXPENDITURES:</b>                                     |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Instruction:   |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Salaries of teachers                                     |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Other salaries for instruction                           | 220,087.00        | 29,815.50        |                                |                                |                   |  | 19,671.00        | 118,426.33                             |        |                    |  |              |
| Purchased prof. and technical services                   |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Tuition  |                   | 1,726.45         | 20,758.55                      |                                | 167,434.00        | 8,297.00                                 |                  | 389.87                                 |        |                    |  |              |
| Other purchased services                                 |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| General supplies   |                   |                  | 11,401.48                      |                                |                   |  |                  | 5,729.76                               |        |                    |  |              |
| Other objects  |                   |                  |                                |                                |                   |  |                  | 2,868.28                               |        |                    |  |              |
| Total Instruction  | 220,087.00        | 31,541.95        | 32,160.03                      | -                              | 167,434.00        | 8,297.00                                 | 19,671.00        | 127,414.24                             |        |                    |  |              |
| Support services:  |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Salaries of other professional staff                     |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Salaries of program directors                            |                   | 12,226.50        |                                |                                |                   |  |                  | 87,526.68                              |        |                    |  |              |
| Other salaries   |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Salaries of supervisors of instruction                   | 61,624.00         | 3,216.22         |                                |                                |                   |  | 5,508.00         | 56,217.00                              |        |                    |  |              |
| Personal services- employee benefits                     | 3,600.00          |                  |                                |                                |                   |  |                  | 9,750.00                               |        |                    |  |              |
| Purchased technical services                             | 3,817.35          |                  |                                | 145.35                         |                   |  |                  | 3,246.15                               |        |                    |  |              |
| Travel   |                   |                  |                                |                                |                   |  |                  | 1,938.89                               |        |                    |  |              |
| Supplies and materials                                   | 18,001.00         |                  |                                |                                |                   |  |                  | 1,702.65                               |        |                    |  |              |
| Other objects  |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Total support services                                   | 87,042.35         | 15,442.72        | -                              | 145.35                         | -                 | -  | 5,508.00         | 160,381.37                             |        |                    |  |              |
| Facilities acquisition and const. serv.:                 |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Instructional equipment                                  |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Total facilities acquisition and construction services   | -                 | -                | -                              | -                              | -                 | -  | -                | -                                      |        |                    |  |              |
| Transfer to charter schools                              |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Total expenditures                                       | 307,129.35        | 46,984.67        | 32,160.03                      | 145.35                         | 167,434.00        | 8,297.00                                 | 25,179.00        | 287,795.61                             |        |                    |  |              |
| Other financing sources                                  |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Transfer from other funds                                |                   |                  |                                |                                |                   |  |                  |  |        |                    |  |              |
| Total outflows   | 307,129.35        | 46,984.67        | 32,160.03                      | 145.35                         | 167,434.00        | 8,297.00                                 | 25,179.00        | 287,795.61                             |        |                    |  |              |
| Excess (deficiency) of revenue over (under) expenditures | -                 | -                | -                              | -                              | -                 | -  | -                | -                                      |        |                    |  |              |

**Egg Harbor City School District  
Special Revenue Fund  
Combining Schedule of Revenue and Expenditures  
Budgetary Basis  
For The Fiscal Year Ended June 30, 2018**

|   | 21st Century<br>Carryover | 21st Century<br>Supplemental | 21st Century<br>Supplemental<br>Carryover | Preschool<br>Development<br>Expansion | Total<br>Federal<br>Funds | Totals              |
|---|---------------------------|------------------------------|---|---------------------------------------|---------------------------|---------------------|
| <b>REVENUES:</b>  |                           |                              |   |                                       |                           |                     |
| Local Sources   |                           |                              |   |                                       |                           | 7,767.61            |
| State Sources   | 53,925.51                 | 25,064.62                    | 9,941.38                                  | 245,572.47                            | 1,209,628.99              | 360,300.00          |
| Federal Sources   |                           |                              |   |                                       |                           | 1,209,628.99        |
| <b>Total revenues</b>   | <u>53,925.51</u>          | <u>25,064.62</u>             | <u>9,941.38</u>                           | <u>245,572.47</u>                     | <u>1,209,628.99</u>       | <u>1,577,696.60</u> |
| <b>EXPENDITURES:</b>  |                           |                              |   |                                       |                           |                     |
| Instruction:  |                           |                              |   |                                       |                           |                     |
| Salaries of teachers  | 14,118.00                 | 19,746.87                    | 8,736.00                                  | 75,133.00                             | 505,733.70                | 696,844.87          |
| Other salaries for instruction                                  |                           |                              |   | 25,540.00                             | 25,540.00                 | 117,483.07          |
| Purchased prof. and technical services                          |                           | 99.00                        |   |                                       | 22,973.87                 | 22,973.87           |
| Tuition   |                           |                              |   |                                       | 175,731.00                | 175,731.00          |
| Other purchased services  | 743.01                    |                              |   | 23,219.47                             | 41,093.72                 | 46,188.53           |
| General supplies  | 1,176.00                  | 327.43                       | 500.00                                    |                                       | 4,871.71                  | 4,871.71            |
| Other objects   |                           |                              |   |                                       |                           |                     |
| <b>Total Instruction</b>  | <u>16,037.01</u>          | <u>20,173.30</u>             | <u>9,236.00</u>                           | <u>123,892.47</u>                     | <u>775,944.00</u>         | <u>1,064,093.05</u> |
| Support services:   |                           |                              |   |                                       |                           |                     |
| Salaries of other professional staff                            |                           |                              |   | 28,731.00                             | 28,731.00                 | 46,832.60           |
| Salaries of program directors                                   |                           |                              |   |                                       | 12,226.50                 | 12,226.50           |
| Other salaries  | 16,995.52                 | 2,443.74                     |   |                                       | 106,965.94                | 106,965.94          |
| Salaries of supervisors of instruction                          |                           |                              | 668.30                                    |                                       |                           | 13,136.00           |
| Personal services- employee benefits                            | 11,102.00                 | 1,697.58                     |   | 77,876.00                             | 217,909.10                | 311,146.10          |
| Purchased technical services                                    | 9,750.00                  |                              |   |                                       | 23,100.00                 | 23,100.00           |
| Other purchased services  |                           | 750.00                       | 37.08                                     | 14,735.00                             | 22,730.93                 | 23,255.93           |
| Travel  | 40.98                     |                              |   | 338.00                                | 2,317.87                  | 2,317.87            |
| Supplies and materials  |                           |                              |   |                                       | 1,702.65                  | 1,798.90            |
| Other objects   |                           |                              |   |                                       | 18,001.00                 | 19,432.75           |
| <b>Total support services</b>                                   | <u>37,888.50</u>          | <u>4,891.32</u>              | <u>705.38</u>                             | <u>121,680.00</u>                     | <u>433,684.99</u>         | <u>560,212.59</u>   |
| Facilities acquisition and const. serv.:                        |                           |                              |   |                                       |                           |                     |
| Instructional equipment   |                           |                              |   |                                       |                           |                     |
| <b>Total facilities acquisition and construction services</b>   |                           |                              |   |                                       |                           |                     |
| Transfer to charter schools                                     |                           |                              |   |                                       |                           |                     |
| <b>Total expenditures</b>                                       | <u>53,925.51</u>          | <u>25,064.62</u>             | <u>9,941.38</u>                           | <u>245,572.47</u>                     | <u>1,209,628.99</u>       | <u>1,624,305.64</u> |
| Other financing sources   |                           |                              |   |                                       |                           |                     |
| Transfer from other funds                                       |                           |                              |   |                                       |                           | 46,609.04           |
| <b>Total outflows</b>   | <u>53,925.51</u>          | <u>25,064.62</u>             | <u>9,941.38</u>                           | <u>245,572.47</u>                     | <u>1,209,628.99</u>       | <u>1,577,696.60</u> |
| <b>Excess (deficiency) of revenue over (under) expenditures</b> | <u>-</u>                  | <u>-</u>                     | <u>-</u>                                  | <u>-</u>                              | <u>-</u>                  | <u>-</u>            |

**Egg Harbor City School District  
Special Revenue Fund  
Schedule of Preschool Education Aid  
For the Fiscal Year Ended June 30, 2018**

|   | <u>Budgeted</u>      | <u>Actual</u>     | <u>Variance</u> |
|---|----------------------|-------------------|-----------------|
| <b>EXPENDITURES:</b>                      |                      |                   |                 |
| Instruction:                              |                      |                   |                 |
| Salaries of teachers                      | \$ 190,491.37        | 190,491.37        | -               |
| Other salaries for instruction            | 91,943.07            | 91,943.07         | -               |
| Other purchased services                  |                      | -                 | -               |
| Supplies                                  | -                    | -                 | -               |
| <b>Total instruction</b>                  | <u>282,434.44</u>    | <u>282,434.44</u> | <u>-</u>        |
| Support services:                         |                      |                   |                 |
| Salaries of Other Professional Staff      | 18,101.60            | 18,101.60         | -               |
| Salaries of Program Directors             |                      | -                 | -               |
| Salaries of Supervisors of Instruction    | 13,136.00            | 13,136.00         | -               |
| Professional services - employee benefits | 93,237.00            | 93,237.00         | -               |
| Other Objects                             |                      | -                 | -               |
| <b>Total support services</b>             | <u>124,474.60</u>    | <u>124,474.60</u> | <u>-</u>        |
| <b>Total Expenditures</b>                 | <u>\$ 406,909.04</u> | <u>406,909.04</u> | <u>-</u>        |

CALCULATION OF BUDGET AND CARRYOVER

|  |                   |
|--|-------------------|
| Total Revised 2017-18 Preschool Education Aid Allocation                                 | 360,300.00        |
| Add: Actual ECPA/PEA Carryover (June 30, 2017)   | -                 |
| Add: Budgeted Transfer from the General Fund 2017-18                                     | 46,609.04         |
| <b>Total Preschool Education Aid Funds Available for 2017-18 Budget</b>                  | <u>406,909.04</u> |
| Less: 2017-18 Budgeted Preschool Education Aid (Including prior year budget carryover)   | (406,909.04)      |
| <b>Available &amp; Unbudgeted Preschool Education Funds as of June 30, 2018</b>          | <u>-</u>          |
| Add: June 30, 2018 Unexpended Preschool Education Aid                                    | -                 |
| Less: 2017-18 Commissioner-approved Transfer to the General Fund                         | -                 |
| <b>2017-18 Carryover - Preschool Education Aid Program</b>                               | <u>-</u>          |
| <b>2017-18 Preschool Education Aid Carryover Budgeted for Preschool Programs 2018-19</b> | <u>-</u>          |

**CAPITAL PROJECTS FUND**

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Egg Harbor City School District  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2018

| Project Title/Issue                                | Approval Date | Revised Budgetary Appropriations | GAAP Expenditures to Date |              | Transfers Out | Unexpended Appropriations 6/30/2018 |
|--|---------------|----------------------------------|---------------------------|--------------|---------------|-------------------------------------|
|  |               |                                  | Prior Years               | Current Year |               |                                     |
| School Facilities Project                          | 11/14/07      | 24,597,412.00                    | 24,105,238.00             | -            | (75,159.00)   | 417,015.00                          |
| Spragg Elementary School Roof and HVAC Replacement | 3/17/14       | 1,153,013.00                     | 1,026,998.00              | -            | (31,729.96)   | 94,285.04                           |
| Totals   |               | \$ 25,750,425.00                 | 25,132,236.00             | -            | (106,888.96)  | 511,300.04                          |

**Egg Harbor City School District**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2018**

**Revenue and Other Financing Sources**

|                               |    |          |
|-------------------------------|----|----------|
| State Sources - SDA           | \$ | -        |
| Bond proceeds and transfers   |    | -        |
| Transfer from capital reserve |    | -        |
| Transfer from capital outlay  |    | -        |
| Total revenues                |    | <u>-</u> |

**Expenditures and Other Financing Uses**

|   |  |          |
|---|--|----------|
| Purchase of Land                              |  | -        |
| Purchased Professional and Technical Services |  | -        |
| Construction Services                         |  | -        |
| Other Objects                                 |  | -        |
| Total expenditures                            |  | <u>-</u> |

|   |  |          |
|---|--|----------|
| Excess (Deficiency) of revenues over (under) expenditures |  | <u>-</u> |
|---|--|----------|

Other Financing Sources (Uses):

|   |  |                    |
|---|--|--------------------|
| Return Capital Projects Funds back to Capital Reserve |  | -                  |
| Transfer to Debt Service Fund                         |  | <u>(75,159.00)</u> |

|                                      |  |             |
|--------------------------------------|--|-------------|
| Total other financing sources (uses) |  | (75,159.00) |
|--------------------------------------|--|-------------|

|                         |  |            |
|-------------------------|--|------------|
| Fund balance- beginning |  | 586,459.04 |
|-------------------------|--|------------|

|                       |    |                          |
|-----------------------|----|--------------------------|
| Fund balance - ending | \$ | <u><u>511,300.04</u></u> |
|-----------------------|----|--------------------------|



**Egg Harbor City School District**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis**  
**Construction of Egg Harbor Community School and Spragg School Improvements**  
**From Inception and for the Year Ended June 30, 2018**

|  | Prior Periods        | Current Period     | Totals               | Revised<br>Authorized Cost |
|--|----------------------|--------------------|----------------------|----------------------------|
| <b>Revenue and Other Financing Sources</b>                   |                      |                    |                      |                            |
| State Sources - SDA  | \$ 15,727,412.00     |                    | 15,727,412.00        | 15,727,412.00              |
| Bond proceeds and transfers                                  | 8,870,000.00         |                    | 8,870,000.00         | 8,870,000.00               |
| Transfer from capital reserve                                |                      |                    |                      |                            |
| Transfer from capital outlay                                 |                      |                    |                      |                            |
| Total revenues   | <u>24,597,412.00</u> | <u>-</u>           | <u>24,597,412.00</u> | <u>24,597,412.00</u>       |
| <b>Expenditures and Other Financing Uses</b>                 |                      |                    |                      |                            |
| Purchase of Land   | 1,745,000.00         |                    | 1,745,000.00         | 1,745,000.00               |
| Purchased Professional<br>and Technical Services             |                      |                    |                      |                            |
| Construction services  | 22,305,079.00        |                    | 22,305,079.00        | 22,852,412.00              |
| Other Objects  |                      |                    |                      |                            |
| Total expenditures   | <u>24,050,079.00</u> | <u>-</u>           | <u>24,050,079.00</u> | <u>24,597,412.00</u>       |
| <b>Other Financing Sources (Uses):</b>                       |                      |                    |                      |                            |
| Transfer to Debt Service Fund                                | <u>(55,159.00)</u>   | <u>(75,159.00)</u> | <u>(130,318.00)</u>  | <u>-</u>                   |
| Total Other Financing Sources (Uses)                         | <u>(55,159.00)</u>   | <u>(75,159.00)</u> | <u>(130,318.00)</u>  | <u>-</u>                   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>\$ 492,174.00</u> | <u>(75,159.00)</u> | <u>417,015.00</u>    | <u>-</u>                   |
| <b>Additional project information:</b>                       |                      |                    |                      |                            |
| Project Number   | 1300-X01-04-1000     |                    |                      |                            |
| Grant Date   | 11/27/07             |                    |                      |                            |
| Bonds Authorization Date                                     | 11/14/07             |                    |                      |                            |
| Bonds Authorized   | 8,870,000.00         |                    |                      |                            |
| Bonds Issued   | 8,870,000.00         |                    |                      |                            |
| Original Authorized Cost                                     | 24,007,569.00        |                    |                      |                            |
| Additional Authorized Cost                                   | 589,843.00           |                    |                      |                            |
| Revised Authorized Cost                                      | 24,597,412.00        |                    |                      |                            |
| Percentage Increase over Original<br>Authorized Cost         | 2.46%                |                    |                      |                            |
| Percentage completion  | 97.77%               |                    |                      |                            |
| Original target completion date                              | June 30, 2010        |                    |                      |                            |
| Revised target completion date                               | 2015                 |                    |                      |                            |

**Egg Harbor City School District**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis**  
**Spragg Elementary School Roof and HVAC Replacement**  
**From Inception and for the Year Ended June 30, 2018**

|   | Prior Periods       | Current Period | Totals              | Revised<br>Authorized Cost |
|---|---------------------|----------------|---------------------|----------------------------|
| <b>Revenue and Other Financing Sources</b>                |                     |                |                     |                            |
| State Sources - SDA                                       | \$ 813,029.00       | -              | 813,029.00          | 813,029.00                 |
| Bond proceeds and transfers                               |                     |                | -                   |                            |
| Transfer from capital reserve                             | 339,984.00          | -              | 339,984.00          | 339,984.00                 |
| Total revenues  | <u>1,153,013.00</u> | <u>-</u>       | <u>1,153,013.00</u> | <u>1,153,013.00</u>        |
| <b>Expenditures and Other Financing Uses</b>              |                     |                |                     |                            |
| Purchased Professional and Technical Services             | 120,130.00          |                | 120,130.00          | 83,000.00                  |
| Construction services                                     | 906,854.00          | -              | 906,854.00          | 998,108.00                 |
| Other Objects   | 14.00               |                | 14.00               | 71,905.00                  |
| Total expenditures  | <u>1,026,998.00</u> | <u>-</u>       | <u>1,026,998.00</u> | <u>1,153,013.00</u>        |
| <b>Other Financing Sources (Uses):</b>                    |                     |                |                     |                            |
| Return Capital Projects Funds back to Capital Reserve     | (31,729.96)         | -              | (31,729.96)         | -                          |
| Transfer to Debt Service Fund                             | -                   |                | -                   | -                          |
| Total Other Financing Sources (Uses)                      | <u>(31,729.96)</u>  | <u>-</u>       | <u>(31,729.96)</u>  | <u>-</u>                   |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 94,285.04</u> | <u>-</u>       | <u>94,285.04</u>    | <u>-</u>                   |
| <b>Additional project information:</b>                    |                     |                |                     |                            |
| Project Number  | 1300-020-14-1001    |                |                     |                            |
| Grant Date  | 3/17/14             |                |                     |                            |
| Bonds Authorization Date                                  | NA                  |                |                     |                            |
| Bonds Authorized  | -                   |                |                     |                            |
| Bonds Issued  | -                   |                |                     |                            |
| Original Authorized Cost                                  | 1,153,013           |                |                     |                            |
| Additional Authorized Cost                                | -                   |                |                     |                            |
| Revised Authorized Cost                                   | 1,153,013           |                |                     |                            |
| Percentage Increase over Original Authorized Cost         | 0.00%               |                |                     |                            |
| Percentage completion                                     | 100.00%             |                |                     |                            |
| Original target completion date                           | October 14, 2014    |                |                     |                            |
| Revised target completion date                            | 2015                |                |                     |                            |

**FIDUCIARY FUNDS**

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Egg Harbor City School District  
Fiduciary Fund  
Combining Statement of Fiduciary Net Position  
June 30, 2018

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|  | Expendable Trusts |                              | Agency    |           | Total |
|--|-------------------|------------------------------|-----------|-----------|-------|
|  | Scholarship       | Unemployment<br>Compensation | Payroll   |           |       |
| ASSETS:                                |                   |                              |           |           |       |
| Cash and cash equivalents              | \$ 1,625.55       |                              | 37,479.91 | 39,105.46 |       |
| Due from payroll agency                |                   | 36,700.67                    |           | 36,700.67 |       |
| Total Assets                           | 1,625.55          | 36,700.67                    | 37,479.91 | 75,806.13 |       |
| LIABILITIES AND FUND BALANCES:         |                   |                              |           |           |       |
| Liabilities:                           |                   |                              |           |           |       |
| Due to unemployment compensation trust |                   |                              | 36,700.67 | 36,700.67 |       |
| Other liabilities                      |                   |                              | 779.24    | 779.24    |       |
| Total Liabilities                      | -                 | -                            | 37,479.91 | 37,479.91 |       |
| Fund balances:                         |                   |                              |           |           |       |
| Reserved - Expendable Trust            | 1,625.55          |                              |           | 1,625.55  |       |
| Scholarship                            |                   | 36,700.67                    |           | 36,700.67 |       |
| Reserved - Unemployment Compensation   |                   |                              |           |           |       |
| Total fund balances                    | 1,625.55          | 36,700.67                    | -         | 38,326.22 |       |
| Total liabilities and fund balances    | \$ 1,625.55       | 36,700.67                    | 37,479.91 | 75,806.13 |       |

Egg Harbor City School District  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year ended June 30, 2018

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|                                     | Balance<br>July 1, 2017 | Additions    | Deletions    | Balance<br>June 30, 2018 |
|-------------------------------------|-------------------------|--------------|--------------|--------------------------|
| ASSETS:                             |                         |              |              |                          |
| Cash and cash equivalents           | \$ 49,899.29            | 6,186,643.75 | 6,199,063.13 | 37,479.91                |
| Total assets                        | 49,899.29               | 6,186,643.75 | 6,199,063.13 | 37,479.91                |
| LIABILITIES:                        |                         |              |              |                          |
| Due to unemployment trust           | 48,964.11               | 9,276.27     | 21,539.71    | 36,700.67                |
| Payroll deductions and withholdings | 935.18                  | 6,177,367.48 | 6,177,523.42 | 779.24                   |
| Total liabilities                   | \$ 49,899.29            | 6,186,643.75 | 6,199,063.13 | 37,479.91                |

**LONG-TERM DEBT**

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Egg Harbor City School District  
 Long-Term Debt  
 Schedule of Serial Bonds  
 June 30, 2018

| Issue                          | Date of Issue | Amount of Issue | Annual Maturities |            | Interest Rate | Balance July 1, 2017 | Issued     | Retired      | Balance June 30, 2018 |
|--------------------------------|---------------|-----------------|-------------------|------------|---------------|----------------------|------------|--------------|-----------------------|
|                                |               |                 | Date              | Amount     |               |                      |            |              |                       |
| School Bonds of 2008           | 2/28/08       | 8,870,000.00    | -                 | -          | \$ -          | 335,000.00           | 335,000.00 | -            |                       |
| Refunding School Bonds of 2016 | 7/14/16       | \$ 7,500,000.00 | 3/15/19           | 390,000.00 | 3.000%        | 7,390,000.00         | 40,000.00  | 7,350,000.00 |                       |
|                                |               |                 | 3/15/20           | 405,000.00 | 3.000%        |                      |            |              |                       |
|                                |               |                 | 3/15/21           | 415,000.00 | 3.000%        |                      |            |              |                       |
|                                |               |                 | 3/15/22           | 425,000.00 | 3.000%        |                      |            |              |                       |
|                                |               |                 | 3/15/23           | 445,000.00 | 2.000%        |                      |            |              |                       |
|                                |               |                 | 3/15/24           | 450,000.00 | 4.000%        |                      |            |              |                       |
|                                |               |                 | 3/15/25           | 470,000.00 | 4.000%        |                      |            |              |                       |
|                                |               |                 | 3/15/26           | 495,000.00 | 2.000%        |                      |            |              |                       |
|                                |               |                 | 3/15/27           | 500,000.00 | 3.000%        |                      |            |              |                       |
|                                |               |                 | 3/15/28           | 520,000.00 | 3.000%        |                      |            |              |                       |
|                                |               |                 | 3/15/29           | 535,000.00 | 3.000%        |                      |            |              |                       |
|                                |               |                 | 3/15/30           | 550,000.00 | 2.500%        |                      |            |              |                       |
|                                |               |                 | 3/15/31           | 565,000.00 | 2.500%        |                      |            |              |                       |
|                                |               |                 | 3/15/32           | 585,000.00 | 2.625%        |                      |            |              |                       |
|                                |               |                 | 3/15/33           | 600,000.00 | 2.625%        |                      |            |              |                       |
|                                |               |                 |                   |            |               | \$ 7,725,000.00      | 375,000.00 | 7,350,000.00 |                       |

\* - \$1,115,000 2.50% Term Bond due March 15, 2031

# - \$1,185,000 2.625% Term Bond due March 15, 2033

**City of Egg Harbor School District  
Budgetary Comparison Schedule  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2018**

|  | Original Budget    | Budget Transfers | Final Budget       | Actual             | Variance Positive (Negative) Final to Actual |
|--|--------------------|------------------|--------------------|--------------------|--|
| <b>REVENUES:</b>   |                    |                  |                    |                    |  |
| Local Sources:   |                    |                  |                    |                    |  |
| Local Tax Levy   | 522,943.00         |                  | 522,943.00         | 554,943.00         | 32,000.00                                    |
| Miscellaneous  | -                  |                  | -                  | 443.08             | 443.08                                       |
|  | <u>522,943.00</u>  | <u>-</u>         | <u>522,943.00</u>  | <u>555,386.08</u>  | <u>32,443.08</u>                             |
| <b>Total Revenues</b>  | <b>522,943.00</b>  | <b>-</b>         | <b>522,943.00</b>  | <b>555,386.08</b>  | <b>32,443.08</b>                             |
| <b>EXPENDITURES:</b>   |                    |                  |                    |                    |  |
| Regular Debt Service:  |                    |                  |                    |                    |  |
| Interest   | 223,644.00         |                  | 223,644.00         | 223,643.76         | 0.24   |
| Redemption of Principal  | 375,000.00         |                  | 375,000.00         | 375,000.00         | -  |
|  | <u>598,644.00</u>  | <u>-</u>         | <u>598,644.00</u>  | <u>598,643.76</u>  | <u>0.24</u>                                  |
| <b>Total Regular Debt Service</b>  | <b>598,644.00</b>  | <b>-</b>         | <b>598,644.00</b>  | <b>598,643.76</b>  | <b>0.24</b>                                  |
| <b>Total expenditures</b>  | <b>(75,701.00)</b> | <b>-</b>         | <b>(75,701.00)</b> | <b>(43,257.68)</b> | <b>32,443.32</b>                             |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures:</b>                            | <b>75,159.00</b>   |                  | <b>75,159.00</b>   | <b>75,159.00</b>   | <b>-</b>                                     |
| Other Financing Sources:   |                    |                  |                    |                    |  |
| Other financing source   |                    |                  |                    |                    |  |
| Unexpended balances on capital projects  |                    |                  |                    |                    |  |
|  | <u>(542.00)</u>    | <u>-</u>         | <u>(542.00)</u>    | <u>31,901.32</u>   | <u>32,443.32</u>                             |
| <b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures</b> | <b>5,864.83</b>    | <b>-</b>         | <b>5,864.83</b>    | <b>5,864.83</b>    | <b>-</b>                                     |
| Fund Balance, July 1   |                    |                  |                    |                    |  |
| Fund Balance, June 30  | <u>5,322.83</u>    | <u>-</u>         | <u>5,322.83</u>    | <u>37,766.15</u>   | <u>32,443.32</u>                             |

## **Statistical Section**

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**EGG HARBOR CITY SCHOOL DISTRICT**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*Unaudited*

|  | For the Year Ended June 30, |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|--|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2009                        | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 |
| <b>Governmental activities</b>                     |                             |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 3,525,198.00             | 10,130,678.00        | 16,002,453.00        | 16,441,140.00        | 16,942,671.00        | 17,270,732.00        | 21,518,642.00        | 21,147,044.47        | 20,533,276.05        | 20,082,218.71        |
| Restricted   | 837,954.00                  | 4,253,443.00         | 1,377,198.00         | 1,683,659.00         | 1,813,210.00         | 1,529,735.00         | 1,372,785.00         | 1,707,814.27         | 1,695,832.09         | 1,910,777.40         |
| Unrestricted                                       | (439,256.00)                | (374,180.00)         | (144,982.00)         | (484,180.00)         | (437,431.00)         | (261,977.00)         | (2,456,957.00)       | (2,728,469.96)       | (2,767,129.07)       | (2,765,042.41)       |
| <b>Total governmental activities net position</b>  | <b>3,923,896.00</b>         | <b>14,009,941.00</b> | <b>17,234,669.00</b> | <b>17,640,619.00</b> | <b>18,318,450.00</b> | <b>18,538,490.00</b> | <b>20,434,470.00</b> | <b>20,126,388.78</b> | <b>19,461,979.07</b> | <b>19,227,953.70</b> |
| <b>Business-type activities</b>                    |                             |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | 104,212.00                  | 102,890.00           | 106,927.00           | 107,574.00           | 100,658.00           | 100,559.00           | 93,902.00            | 83,533.00            | 64,240.80            | 59,339.20            |
| Unrestricted                                       | 104,212.00                  | 102,890.00           | 81,483.00            | 90,598.00            | 97,867.00            | 82,945.00            | 80,574.00            | 80,777.76            | 79,320.21            | 82,508.23            |
| <b>Total business-type activities net position</b> | <b>104,212.00</b>           | <b>102,890.00</b>    | <b>188,410.00</b>    | <b>198,172.00</b>    | <b>198,525.00</b>    | <b>183,504.00</b>    | <b>174,476.00</b>    | <b>164,310.76</b>    | <b>143,561.01</b>    | <b>141,847.43</b>    |
| <b>District-wide</b>                               |                             |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 3,525,198.00             | 10,130,678.00        | 16,109,380.00        | 16,548,714.00        | 17,043,329.00        | 17,371,291.00        | 21,612,544.00        | 21,230,577.47        | 20,597,516.85        | 20,141,557.91        |
| Restricted   | 837,954.00                  | 4,253,443.00         | 1,377,198.00         | 1,705,239.00         | 1,813,210.00         | 1,529,735.00         | 1,372,785.00         | 1,707,814.27         | 1,695,832.09         | 1,910,777.40         |
| Unrestricted                                       | (335,044.00)                | (274,290.00)         | (63,499.00)          | (415,162.00)         | (339,564.00)         | (179,032.00)         | (2,379,383.00)       | (2,647,692.20)       | (2,687,808.86)       | (2,682,534.18)       |
| <b>Total district net position</b>                 | <b>4,028,108.00</b>         | <b>14,112,831.00</b> | <b>17,423,079.00</b> | <b>17,838,791.00</b> | <b>18,516,975.00</b> | <b>18,721,994.00</b> | <b>20,605,946.00</b> | <b>20,290,699.54</b> | <b>19,605,540.08</b> | <b>19,369,801.13</b> |

Source: CAFR Schedule A-1

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Changes in Net Position, Last Ten Fiscal Years**  
*Unaudited*

|   | For the Year Ended June 30, |               |                |                |                |                |                |                |                |                |
|---|-----------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2009                        | 2010          | 2011           | 2012           | 2013           | 2014           | 2015           | 2016           | 2017           | 2018           |
| <b>Expenses</b>                                 |                             |               |                |                |                |                |                |                |                |                |
| Governmental activities                         |                             |               |                |                |                |                |                |                |                |                |
| Instruction                                     |                             |               |                |                |                |                |                |                |                |                |
| Regular   | \$ 4,425,185.00             | 4,756,183.00  | 3,867,344.00   | 4,103,860.00   | 3,906,258.00   | 3,892,125.00   | 4,781,312.31   | 5,458,891.28   | 5,533,734.75   | 5,546,755.89   |
| Special education                               | 932,801.00                  | 964,458.00    | 973,757.00     | 1,134,650.00   | 1,301,615.00   | 1,234,366.00   | 1,366,601.00   | 1,415,813.10   | 1,571,700.81   | 1,638,532.16   |
| Other special instruction                       | 153,086.00                  | 152,413.00    | 171,402.00     | 120,330.00     | 287,282.00     | 265,407.00     | 354,714.00     | 353,328.34     | 315,928.33     | 267,498.56     |
| Nonpublic school programs                       |                             |               |                |                |                |                |                |                |                |                |
| Support Services:                               |                             |               |                |                |                |                |                |                |                |                |
| Tuition   | 529,663.00                  | 652,097.00    | 541,696.00     | 600,886.00     | 784,653.00     | 744,603.00     | 585,438.00     | 780,381.01     | 1,375,369.73   | 1,184,779.64   |
| Student & instruction related services          | 1,298,435.00                | 1,256,793.00  | 1,631,064.00   | 1,625,445.00   | 1,469,053.00   | 1,531,806.00   | 1,709,987.46   | 1,999,164.64   | 1,896,614.06   | 2,047,015.10   |
| General administrative services                 | 343,752.00                  | 357,718.00    | 353,476.00     | 375,821.00     | 409,287.00     | 296,660.00     | 306,028.00     | 339,020.00     | 360,516.57     | 363,649.70     |
| School administrative services                  | 251,879.00                  | 251,309.00    | 242,647.00     | 261,444.00     | 264,414.00     | 271,939.00     | 319,472.00     | 377,277.06     | 398,308.13     | 444,850.36     |
| Plant operations and maintenance                | 795,532.00                  | 790,412.00    | 884,958.00     | 874,452.00     | 878,693.00     | 1,031,832.00   | 1,179,606.00   | 1,304,324.74   | 1,400,102.71   | 1,493,193.74   |
| Pupil transportation                            | 282,743.00                  | 286,701.00    | 209,294.00     | 234,961.00     | 269,728.00     | 249,899.00     | 181,933.00     | 192,003.68     | 346,794.94     | 362,397.93     |
| Business and other support services             | 212,414.00                  | 246,965.00    | 261,269.00     | 239,949.00     | 250,005.00     | 262,185.00     | 309,012.00     | 383,391.28     | 379,548.66     | 449,586.69     |
| Interest on long-term debt                      | 408,314.00                  | 317,281.00    | 365,936.00     | 356,213.00     | 346,057.00     | 335,393.00     | 329,282.00     | 487,987.73     | 367,930.50     | 417,090.34     |
| Capital Outlay                                  |                             |               | 182,397.00     |                | 126,853.00     | 195,873.00     |                |                |                |                |
| Other financing uses                            |                             | 250,000.00    |                |                | 400,936.00     |                |                |                |                |                |
| Total governmental activities expenses          | 9,633,804.00                | 10,282,330.00 | 9,685,240.00   | 9,928,011.00   | 10,694,834.00  | 10,312,088.00  | 11,423,385.77  | 13,091,582.86  | 13,946,549.19  | 14,215,350.10  |
| Business-type activities:                       |                             |               |                |                |                |                |                |                |                |                |
| Food service                                    | 290,023.00                  | 298,747.00    | 297,484.00     | 306,258.00     | 306,258.00     | 405,440.00     | 404,952.00     | 429,545.78     | 422,729.15     | 424,053.03     |
| Child Care                                      |                             | 2,467.00      |                |                |                |                |                |                |                |                |
| Total business-type activities expense          | 290,023.00                  | 301,214.00    | 297,484.00     | 306,258.00     | 306,258.00     | 405,440.00     | 404,952.00     | 429,545.78     | 422,729.15     | 424,053.03     |
| Total district expenses                         | 9,923,827.00                | 10,583,544.00 | 9,982,734.00   | 10,234,269.00  | 11,001,092.00  | 10,717,528.00  | 11,828,337.77  | 13,521,128.64  | 14,369,278.34  | 14,639,403.13  |
| <b>Program Revenues</b>                         |                             |               |                |                |                |                |                |                |                |                |
| Governmental activities:                        |                             |               |                |                |                |                |                |                |                |                |
| Charges for services:                           |                             |               |                |                |                |                |                |                |                |                |
| Instruction (tuition)                           |                             |               |                |                |                |                |                |                |                |                |
| Operating grants and contributions              | 2,269,242.00                | 2,529,024.00  | 2,244,224.00   | 2,149,576.00   | 2,208,985.00   | 2,128,607.00   | 3,178,119.00   | 3,015,826.00   | 4,801,896.82   | 5,207,671.01   |
| Capital grants and contributions                | 3,156,847.00                | 10,652,699.00 | 3,147,412.00   | 171,103.00     | -              | 54,172.00      | 3,525,325.00   |                |                |                |
| Total governmental activities program revenues  | 5,426,089.00                | 13,181,723.00 | 5,391,636.00   | 2,320,679.00   | 2,208,985.00   | 2,182,779.00   | 6,703,444.00   | 3,223,595.57   | 4,884,829.62   | 5,262,944.90   |
| Business-type activities:                       |                             |               |                |                |                |                |                |                |                |                |
| Charges for services:                           |                             |               |                |                |                |                |                |                |                |                |
| Food service                                    | 76,063.00                   | 71,010.00     | 69,482.00      | 69,564.00      | 64,233.00      | 66,443.00      | 61,187.00      | 48,991.19      | 49,132.06      | 49,933.47      |
| Operating grants and contributions              | 214,164.00                  | 228,837.00    | 211,920.00     | 246,420.00     | 336,950.00     | 323,967.00     | 334,699.00     | 370,296.46     | 352,639.55     | 371,556.54     |
| Total business type activities program revenues | 290,227.00                  | 299,847.00    | 281,402.00     | 315,984.00     | 401,183.00     | 390,410.00     | 395,886.00     | 419,287.65     | 401,771.61     | 421,490.01     |
| Total district program revenues                 | 5,716,316.00                | 13,481,570.00 | 5,673,038.00   | 2,636,663.00   | 2,610,168.00   | 2,573,189.00   | 7,099,330.00   | 3,642,883.22   | 5,286,601.23   | 5,684,434.91   |
| <b>Net (Expense)/Revenue</b>                    |                             |               |                |                |                |                |                |                |                |                |
| Governmental activities                         | (4,207,715.00)              | 2,899,393.00  | (4,293,604.00) | (7,607,332.00) | (8,084,913.00) | (8,129,309.00) | (4,719,942.00) | (9,867,987.29) | (9,061,719.56) | (8,952,405.20) |
| Business-type activities                        | 204.00                      | (1,367.00)    | (16,092.00)    | 9,726.00       | 247.00         | (15,030.00)    | (9,066.00)     | (10,258.13)    | (20,957.54)    | (2,563.02)     |
| Total district-wide net expense                 | \$ (4,207,511.00)           | 2,898,026.00  | (4,309,696.00) | (7,597,606.00) | (8,084,666.00) | (8,144,339.00) | (4,729,008.00) | (9,878,245.42) | (9,082,677.10) | (8,954,968.22) |

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Changes in Net Position, Last Ten Fiscal Years**  
*Unaudited*

|   | For the Year Ended June 30, |                      |                     |                     |                     |                     |                     |                     |                     |                     |
|---|-----------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2009                        | 2010                 | 2011                | 2012                | 2013                | 2014                | 2015                | 2016                | 2017                | 2018                |
| <b>General Revenues and Other Changes in Net Position</b> |                             |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| Governmental activities:                                  |                             |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| Property taxes levied for general purposes, net           | \$ 1,902,167.00             | 1,978,253.00         | 2,235,239.00        | 2,235,239.00        | 2,280,542.00        | 2,370,858.00        | 2,523,087.00        | 2,596,048.00        | 2,647,969.00        | 2,716,683.00        |
| Taxes levied for debt service                             | 355,473.00                  | 277,127.00           | 120,461.00          | 465,673.00          | 528,353.00          | 534,821.00          | 632,510.00          | 631,304.00          | 547,383.00          | 554,943.00          |
| Unrestricted grants and contributions                     | 4,916,975.00                | 4,710,498.00         | 4,856,166.00        | 5,159,250.00        | 5,163,406.00        | 5,257,862.00        | 5,275,987.00        | 6,275,088.95        | 5,320,337.07        | 5,345,151.31        |
| Restricted grants and contributions                       | 122,390.00                  | 120,995.00           | 101,703.00          | 100,555.00          | 99,453.00           | 98,341.00           | -                   | -                   | -                   | -                   |
| Investment earnings                                       | 13,480.00                   | 224.00               | 1,900.00            | 93.00               | 7,649.00            | 7,210.00            | 1,316.00            | 1,854.29            | 1,699.88            | 2,297.95            |
| Miscellaneous income                                      | 1,162,795.00                | 95,957.00            | 199,266.00          | 81,237.00           | 23,719.00           | 80,257.00           | 322,361.00          | 58,610.83           | 24,433.22           | 26,357.85           |
| Amortization  | 3,597.00                    | 3,597.00             | 3,597.00            | 3,597.00            | -                   | -                   | -                   | -                   | -                   | -                   |
| Transfers in  | -                           | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Transfers out   | -                           | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Cost of issuance on refunding bonds                       | -                           | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Loss on asset adjustment                                  | -                           | -                    | -                   | (32,362.00)         | (323,728.00)        | -                   | -                   | -                   | -                   | -                   |
| Assets added in prior year                                | -                           | -                    | -                   | 8,166.00            | 8,166.00            | -                   | -                   | -                   | -                   | -                   |
| Cancellation of Receivable                                | -                           | -                    | -                   | (3,007.00)          | (3,007.00)          | -                   | -                   | -                   | -                   | -                   |
| <b>Total governmental activities</b>                      | <b>8,476,877.00</b>         | <b>7,186,652.00</b>  | <b>7,518,332.00</b> | <b>8,013,282.00</b> | <b>7,784,553.00</b> | <b>8,349,349.00</b> | <b>8,755,261.00</b> | <b>9,562,906.07</b> | <b>8,397,309.85</b> | <b>8,718,379.83</b> |
| Business-type activities:                                 |                             |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| Investment earnings                                       | 415.00                      | 45.00                | 63.00               | 36.00               | 106.00              | 9.00                | 38.00               | 92.89               | 207.79              | 724.44              |
| Contributed capital                                       | -                           | -                    | 101,550.00          | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Adjustment to prior year fixed assets                     | -                           | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total business-type activities</b>                     | <b>415.00</b>               | <b>45.00</b>         | <b>101,613.00</b>   | <b>36.00</b>        | <b>106.00</b>       | <b>9.00</b>         | <b>38.00</b>        | <b>92.89</b>        | <b>207.79</b>       | <b>125.00</b>       |
| <b>Total district-wide</b>                                | <b>8,477,292.00</b>         | <b>7,186,697.00</b>  | <b>7,619,945.00</b> | <b>8,013,318.00</b> | <b>7,784,659.00</b> | <b>8,349,358.00</b> | <b>8,755,299.00</b> | <b>9,562,998.96</b> | <b>8,397,517.64</b> | <b>8,719,229.27</b> |
| <b>Change in Net Position</b>                             |                             |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| Governmental activities                                   | 4,269,162.00                | 10,086,045.00        | 3,224,728.00        | 405,950.00          | (300,360.00)        | 220,040.00          | 4,035,319.00        | (305,081.22)        | (664,409.71)        | (234,025.37)        |
| Business-type activities                                  | 619.00                      | (1,322.00)           | 85,521.00           | 9,762.00            | 353.00              | (15,021.00)         | (9,028.00)          | (10,165.24)         | (20,749.75)         | (1,713.58)          |
| <b>Total district</b>                                     | <b>\$ 4,269,781.00</b>      | <b>10,084,723.00</b> | <b>3,310,249.00</b> | <b>415,712.00</b>   | <b>(300,007.00)</b> | <b>205,019.00</b>   | <b>4,026,291.00</b> | <b>(315,246.46)</b> | <b>(685,159.46)</b> | <b>(235,738.95)</b> |

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*Unaudited*

|   | For the Year Ended June 30, |                     |                   |                     |                     |                   |                   |                   |                   |                     |
|---|-----------------------------|---------------------|-------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
|   | 2009                        | 2010                | 2011              | 2012                | 2013                | 2014              | 2015              | 2016              | 2017              | 2018                |
| <b>General Fund</b>                       |                             |                     |                   |                     |                     |                   |                   |                   |                   |                     |
| Restricted                                |                             |                     | 715,718.00        | 1,195,072.00        | 860,090.00          | 618,649.00        | 740,826.00        | 884,858.49        | 906,398.27        | 1,096,250.82        |
| Committed                                 |                             |                     | 191,207.00        | 191,522.00          | 291,802.00          | 202,423.00        | 52,172.00         | 149,267.52        | 202,634.52        | 302,886.28          |
| Assigned                                  |                             |                     | 86,174.00         | -                   | -                   | -                 | -                 | -                 | -                 | -                   |
| Unassigned                                |                             |                     | -                 | (186,396.00)        | (146,822.00)        | (21,969.00)       | (144,345.00)      | (153,081.73)      | (197,249.49)      | (148,903.07)        |
| Reserved                                  | 1,275,847.00                | 864,576.00          |                   |                     |                     |                   |                   |                   |                   |                     |
| Unreserved                                | (222,399.00)                | (221,482.00)        |                   |                     |                     |                   |                   |                   |                   |                     |
| <b>Total general fund</b>                 | <b>1,053,448.00</b>         | <b>643,094.00</b>   | <b>993,099.00</b> | <b>1,200,198.00</b> | <b>1,005,070.00</b> | <b>799,103.00</b> | <b>648,653.00</b> | <b>881,044.28</b> | <b>911,783.30</b> | <b>1,250,234.03</b> |
| <b>All Other Governmental Funds</b>       |                             |                     |                   |                     |                     |                   |                   |                   |                   |                     |
| Restricted                                |                             |                     | 352,939.00        | 295,781.00          | 661,038.00          | 708,601.00        | 673,348.00        | 673,688.26        | 586,799.30        | 511,640.30          |
| Reserved                                  | 7,767,066.00                | 2,951,623.00        |                   |                     |                     |                   |                   |                   |                   |                     |
| Unreserved, reported in:                  |                             |                     |                   |                     |                     |                   |                   |                   |                   |                     |
| Special revenue fund                      | (27,317.00)                 | (28,418.00)         | (28,159.00)       | (32,962.00)         | (30,731.00)         | (26,621.00)       | (27,993.00)       | -                 | -                 | -                   |
| Debt service fund                         | 665,041.00                  | 437,244.00          | 31,160.00         | 1,284.00            | 280.00              | 62.00             | 155.00            | 688.00            | 5,864.83          | 37,766.15           |
| <b>Total all other governmental funds</b> | <b>\$ 8,404,790.00</b>      | <b>3,360,449.00</b> | <b>355,940.00</b> | <b>264,103.00</b>   | <b>630,587.00</b>   | <b>682,042.00</b> | <b>645,510.00</b> | <b>674,376.26</b> | <b>592,664.13</b> | <b>549,406.45</b>   |

The requirements related to reporting fund balance in the general fund were modified by the Governmental Accounting Standards Board (GASB) effective for fiscal years ending June 30, 2011.

Source: CAFR Schedule B-1



**EGG HARBOR CITY SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*Unaudited*

|   | 2009            | 2010           | 2011           | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          |
|---|-----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Revenues</b>   |                 |                |                |               |               |               |               |               |               |               |
| Tax levy  | \$ 2,257,640.00 | 2,255,380.00   | 2,355,700.00   | 2,700,912.00  | 2,808,895.00  | 2,905,679.00  | 3,155,597.00  | 3,227,352.00  | 3,195,352.00  | 3,271,626.00  |
| Interest earnings   | 13,480.00       | 224.00         | 1,900.00       | 93.00         | 7,649.00      | 7,210.00      | 1,316.00      | 1,854.29      | 1,699.88      | 2,297.95      |
| Miscellaneous   | 1,163,795.00    | 95,957.00      | 201,243.00     | 85,183.00     | 33,123.00     | 85,281.00     | 332,892.31    | 274,270.39    | 115,861.88    | 89,399.35     |
| State sources   | 9,074,292.00    | 15,616,451.00  | 8,942,405.00   | 6,344,333.00  | 6,444,618.00  | 6,445,687.00  | 7,039,571.00  | 6,608,795.13  | 6,720,371.33  | 6,938,778.41  |
| Federal sources   | 1,390,163.00    | 2,395,663.00   | 1,405,382.00   | 1,232,205.00  | 1,017,823.00  | 1,088,270.00  | 1,115,941.32  | 1,297,978.83  | 1,334,567.70  | 1,255,695.30  |
| Total revenue   | 13,899,370.00   | 20,363,675.00  | 12,906,630.00  | 10,362,726.00 | 10,312,108.00 | 10,532,127.00 | 11,645,317.63 | 11,410,250.64 | 11,367,852.79 | 11,557,787.01 |
| <b>Expenditures</b>                                       |                 |                |                |               |               |               |               |               |               |               |
| Instruction   |                 |                |                |               |               |               |               |               |               |               |
| Regular instruction                                       | 3,463,608.00    | 3,658,489.00   | 2,937,919.00   | 2,923,937.00  | 2,838,658.00  | 2,817,164.00  | 2,941,900.31  | 2,988,328.72  | 3,167,562.19  | 3,124,730.55  |
| Special education instruction                             | 728,319.00      | 740,228.00     | 724,543.00     | 822,187.00    | 945,876.00    | 892,619.00    | 840,859.00    | 775,050.23    | 771,505.10    | 795,380.93    |
| Other special instruction                                 | 119,528.00      | 116,978.00     | 127,535.00     | 87,193.00     | 208,766.00    | 191,926.00    | 218,252.00    | 193,420.45    | 168,698.13    | 152,205.84    |
| Nonpublic school programs                                 | -               | -              | -              | -             | -             | -             | -             | -             | -             | -             |
| Support Services:   |                 |                |                |               |               |               |               |               |               |               |
| Tuition   | 370,835.00      | 399,088.00     | 318,005.00     | 307,980.00    | 530,470.00    | 528,508.00    | 571,533.00    | 780,381.01    | 717,220.31    | 530,817.33    |
| Student & instruction related services                    | 1,013,801.00    | 964,597.00     | 1,213,624.00   | 1,177,824.00  | 1,067,551.00  | 1,107,709.00  | 1,052,140.46  | 1,094,390.94  | 1,123,048.07  | 1,191,781.96  |
| General administrative services                           | 268,397.00      | 274,551.00     | 263,011.00     | 272,326.00    | 297,427.00    | 214,526.00    | 210,288.00    | 198,808.76    | 196,793.03    | 184,956.80    |
| School Administrative services                            | 196,664.00      | 192,882.00     | 180,546.00     | 189,447.00    | 192,148.00    | 196,650.00    | 219,526.00    | 221,243.54    | 226,733.95    | 237,013.08    |
| Business administrative services                          | 165,850.00      | 189,547.00     | 194,403.00     | 173,871.00    | 181,677.00    | 189,596.00    | 212,339.00    | 224,829.05    | 221,751.49    | 230,356.58    |
| Plant operations and maintenance                          | 621,141.00      | 606,647.00     | 658,470.00     | 633,642.00    | 638,541.00    | 746,159.00    | 810,570.00    | 764,884.62    | 786,926.16    | 793,978.48    |
| Pupil transportation                                      | 220,762.00      | 220,045.00     | 155,729.00     | 170,257.00    | 196,010.00    | 180,712.00    | 181,933.00    | 192,003.68    | 191,831.54    | 171,616.29    |
| Unallocated employee benefits                             | 1,995,832.00    | 2,225,553.00   | 2,216,793.00   | 2,358,446.00  | 2,588,719.00  | 2,677,244.00  | 2,761,165.86  | 2,888,466.60  | 2,974,703.29  | 2,870,770.36  |
| Charter Schools   | 54,712.00       | 132,117.00     | 114,309.00     | 175,862.00    | 54,677.00     | 13,751.00     | 13,885.00     | -             | 66,625.00     | 184,469.00    |
| Capital outlay  | 4,510,381.00    | 15,218,366.00  | 5,826,943.00   | 325,363.00    | 742,956.00    | 296,684.00    | 1,165,325.00  | 195,873.00    | 195,873.00    | 195,873.00    |
| Debt service:   |                 |                |                |               |               |               |               |               |               |               |
| Principal   | 241,464.00      | 250,338.00     | 259,508.00     | 268,894.00    | 278,617.00    | 293,577.00    | 300,000.00    | 310,000.00    | 435,000.00    | 375,000.00    |
| Interest and other charges                                | 404,227.00      | 378,944.00     | 369,796.00     | 360,235.00    | 350,246.00    | 339,814.00    | 332,563.00    | 321,312.50    | 167,529.96    | 223,643.76    |
| Total expenditures  | 14,375,521.00   | 25,568,370.00  | 15,561,134.00  | 10,247,464.00 | 11,112,339.00 | 10,686,639.00 | 11,832,279.63 | 11,148,993.10 | 11,411,801.22 | 11,262,593.96 |
| Excess (Deficiency) of revenues over (under) expenditures | (476,151.00)    | (5,204,695.00) | (2,654,504.00) | 115,262.00    | (800,231.00)  | (154,512.00)  | (186,962.00)  | 261,257.54    | (43,948.43)   | 295,193.05    |
| <b>Other Financing sources (uses)</b>                     |                 |                |                |               |               |               |               |               |               |               |
| Cancellation of prior year receivable                     | -               | -              | -              | -             | (3,007.00)    | -             | -             | -             | (7,024.68)    | -             |
| Adjustment to project balance                             | -               | (250,000.00)   | -              | -             | -             | -             | -             | -             | -             | -             |
| Payment of funds to City per contract                     | -               | -              | -              | -             | -             | -             | -             | -             | -             | -             |
| Proceeds from bond sales                                  | -               | -              | -              | -             | -             | -             | -             | -             | 262,914.44    | 121,768.04    |
| Transfers in  | -               | -              | -              | -             | -             | -             | -             | -             | (262,914.44)  | (121,768.04)  |
| Transfers out   | -               | -              | -              | -             | -             | -             | -             | -             | (7,024.68)    | -             |
| Total other financing sources (uses)                      | -               | (250,000.00)   | -              | -             | (3,007.00)    | -             | -             | -             | -             | -             |
| Net change in fund balances                               | \$ (476,151.00) | (5,454,695.00) | (2,654,504.00) | 115,262.00    | (803,238.00)  | (154,512.00)  | (186,962.00)  | 261,257.54    | (50,973.11)   | 295,193.05    |
| Debt service as a percentage of noncapital expenditures   | 6.55%           | 6.08%          | 6.46%          | 6.34%         | 6.06%         | 6.10%         | 5.93%         | 5.76%         | 5.37%         | 5.41%         |

Source: CAFR Schedule B-2

See Accompanying Auditor's Report

**EGG HARBOR CITY SCHOOL DISTRICT**  
**General Fund Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
*Unaudited*

| Fiscal Year<br>Ended June 30, | Interest on<br>Investments | Tuition<br>Revenue | Misc.      | Total      |
|-------------------------------|----------------------------|--------------------|------------|------------|
| 2009                          | \$ 13,480.00               | 23,151.00          | 56,777.00  | 93,408.00  |
| 2010                          | 224.00                     |                    | 95,957.00  | 96,181.00  |
| 2011                          | 1,900.00                   | 2,206.00           | 196,004.00 | 200,110.00 |
| 2012                          | 93.00                      | 5,580.00           | 42,632.00  | 48,305.00  |
| 2013                          | 883.00                     |                    | 23,666.00  | 24,549.00  |
| 2014                          | 74.00                      | 29,529.00          | 50,717.00  | 80,320.00  |
| 2015                          | 975.00                     | 174,232.00         | 147,983.00 | 323,190.00 |
| 2016                          | 1,144.99                   | 207,769.57         | 57,729.07  | 266,643.63 |
| 2017                          | 1,699.88                   | 82,932.80          | 19,268.43  | 103,901.11 |
| 2018                          | 2,297.95                   | 55,273.89          | 25,914.77  | 83,486.61  |

Source: District Records

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**  
*Unaudited*

| Fiscal Year Ended June 30, | Fiscal Year |             |            |            |           | Farm Reg. | Qfarm | Fiscal Year          |   |           | Less: Tax-Exempt Property | Public Utilities <sup>a</sup> | Net Valuation Taxable | Total Direct School Tax Rate <sup>b</sup> | Estimated Actual (County Equalized Value) |
|----------------------------|-------------|-------------|------------|------------|-----------|-----------|-------|----------------------|---|-----------|---------------------------|-------------------------------|-----------------------|---|---|
|                            | Vacant Land | Residential | Commercial | Industrial | Apartment |           |       | Total Assessed Value |   |           |                           |                               |                       |   |   |
| 2009                       | 6,730,400   | 233,335,500 | 42,063,000 | 7,936,500  | 6,943,400 | -         | -     | 297,008,800          | - | 2,113,286 | 299,122,086               | 0.634                         | 299,195,886           |   |   |
| 2010                       | 6,989,700   | 234,107,100 | 42,194,800 | 8,204,100  | 6,790,400 | -         | -     | 298,286,100          | - | 2,179,885 | 300,465,985               | 0.638                         | 307,764,239           |   |   |
| 2011                       | 6,899,000   | 233,514,400 | 42,409,300 | 6,908,800  | 6,790,400 | -         | -     | 296,521,900          | - | 2,153,609 | 298,675,509               | 0.748                         | 286,369,003           |   |   |
| 2012                       | 5,108,200   | 176,622,200 | 30,112,100 | 5,598,300  | 4,778,800 | -         | -     | 222,219,600          | - | 2,187,933 | 224,407,533               | 1.209                         | 258,083,073           |   |   |
| 2013                       | 6,552,800   | 176,509,100 | 30,217,200 | 5,515,800  | 4,778,800 | -         | -     | 223,573,700          | - | 1,556,978 | 225,130,678               | 1.262                         | 255,018,572           |   |   |
| 2014                       | 5,785,800   | 176,902,100 | 30,375,400 | 5,515,800  | 4,778,800 | -         | -     | 223,357,900          | - | 1,475,852 | 224,833,752               | 1.264                         | 238,719,458           |   |   |
| 2015                       | 6,384,000   | 177,085,300 | 30,669,400 | 5,694,500  | 5,248,200 | -         | -     | 225,081,400          | - | -         | 225,081,400               | 1.376                         | 239,689,183           |   |   |
| 2016                       | 6,011,800   | 174,834,200 | 31,155,800 | 5,694,500  | 6,137,000 | -         | -     | 223,833,300          | - | -         | 223,833,300               | 1.445                         | 215,752,918           |   |   |
| 2017                       | 6,061,700   | 173,631,600 | 31,581,600 | 5,694,500  | 5,228,800 | -         | -     | 222,198,200          | - | -         | 222,198,200               | 1.442                         | 232,036,550           |   |   |
| 2018                       | 4,546,500   | 147,792,300 | 32,694,600 | 5,585,700  | 7,248,200 | -         | -     | 197,867,300          | - | -         | 197,867,300               | 1.639                         | 213,058,361           |   |   |

A reassessment occurred between 2011 and 2012 resulting in a decrease in assessed valuations.

Source: District records Tax list summary & Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Rate per \$100 of Assessed Value**  
**Last Ten Fiscal Years**  
*Unaudited*

| Fiscal Year Ended June 30, | Egg Harbor City Board of Education |                           |       |              | Overlapping Rates           |                 |       | Total Direct and Overlapping Tax Rate |
|----------------------------|------------------------------------|---------------------------|-------|--------------|-----------------------------|-----------------|-------|---------------------------------------|
|                            | Basic Rate <sup>a</sup>            | General Obligation        |       | Total Direct | Greater Egg Harbor Regional | Egg Harbor City |       |                                       |
|                            |                                    | Debt Service <sup>b</sup> |       |              |                             | Atlantic County |       |                                       |
| 2009                       | 0.635                              | 0.075                     | 0.710 | 0.404        | 1.137                       | 0.327           | 2.578 |                                       |
| 2010                       | 0.692                              | 0.075                     | 0.767 | 0.414        | 1.201                       | 0.334           | 2.716 |                                       |
| 2011                       | 0.849                              | 0.040                     | 0.889 | 0.450        | 1.275                       | 0.366           | 2.980 |                                       |
| 2012                       | 1.001                              | 0.208                     | 1.209 | 0.614        | 1.708                       | 0.430           | 3.961 |                                       |
| 2013                       | 1.024                              | 0.238                     | 1.262 | 0.540        | 1.797                       | 0.529           | 4.128 |                                       |
| 2014                       | 1.029                              | 0.235                     | 1.264 | 0.580        | 1.828                       | 0.506           | 4.178 |                                       |
| 2015                       | 1.229                              | 0.147                     | 1.376 | 0.563        | 1.867                       | 0.470           | 4.276 |                                       |
| 2016                       | 1.166                              | 0.279                     | 1.445 | 0.658        | 1.892                       | 0.538           | 4.533 |                                       |
| 2017                       | 1.160                              | 0.282                     | 1.442 | 0.673        | 1.959                       | 0.592           | 4.666 |                                       |
| 2018                       | 1.359                              | 0.280                     | 1.639 | 0.756        | 2.263                       | 0.606           | 5.264 |                                       |

A revaluation occurred between 2011 and 2012 resulting in a decrease in assessed valuations.

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

**b** Rates for debt service are based on each year's requirements.

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Principal Property Tax Payers,**  
**Last Year and Nine Years Ago**  
**Unaudited**

| Taxpayer                           | 2018                   |                 |  | 2009                   |                 |  |
|------------------------------------|------------------------|-----------------|--|------------------------|-----------------|--|
|                                    | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value |
| Renault, LLC                       |                        |                 |  | 3,879,900.00           | 1               | 1.30%                                  |
| Philadelphia Associates c/o BOA    |                        |                 |  | 1,414,900.00           | 4               | 0.47%                                  |
| Philadelphia Associates c/o BOA    |                        |                 |  | 1,375,500.00           | 5               | 0.46%                                  |
| 975 Holdings LLC                   | 2,316,500.00           | 1               | 1.17%                                  |                        |                 |  |
| Semdor, Inc.                       |                        |                 |  | 2,159,100.00           | 2               | 0.72%                                  |
| Egg Harbor Holdings Urban Renewal  | 2,001,500.00           | 2               | 1.01%                                  |                        |                 |  |
| Harbor Plaza Holdings, LLC         | 1,782,000.00           | 3               | 0.90%                                  |                        |                 |  |
| Egg Harbor Realty Holdings LLC     | 1,312,200.00           | 4               | 0.66%                                  |                        |                 | 0.00%                                  |
| Agree Egg Harbor NJ, LLC           | 1,224,500.00           | 5               | 0.62%                                  |                        |                 |  |
| Ocean Realty, LLC                  |                        |                 |  | 1,371,800.00           | 6               | 0.46%                                  |
| Taxpayer #1                        | 1,045,900.00           | 6               | 0.53%                                  | 1,423,800.00           | 3               | 0.48%                                  |
| Taxpayer #2                        | 967,100.00             | 8               | 0.49%                                  | 1,250,000.00           | 8               | 0.42%                                  |
| Taxpayer #3                        | 908,900.00             | 10              | 0.46%                                  |                        |                 |  |
| Daniel G. Kamin c/o Rite Aid Corp. | 995,600.00             | 7               | 0.50%                                  |                        |                 |  |
| C & L Company                      | 923,500.00             | 9               | 0.47%                                  |                        |                 |  |
| EH Yachts, LLC                     |                        |                 |  | 1,264,200.00           | 7               | 0.42%                                  |
| Pembroke Associates, LLC           |                        |                 |  | 1,242,600.00           | 9               | 0.42%                                  |
| Egg Harbor Boat                    |                        |                 |  | 1,180,000.00           | 10              | 0.39%                                  |
| <b>Total</b>                       | <b>11,558,600.00</b>   |                 | <b>5.84%</b>                           | <b>16,561,800.00</b>   |                 | <b>5.54%</b>                           |

Source: District CAFR & Municipal Tax Assessor  
District Total Taxable Value

197,867,300

299,122,086

*Note- A revaluation occurred in 2012 which caused a significant reduction in property valuation.*

GASB requires this table to present the principal taxpayers for the last year and nine years ago.

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Property Tax Levies and Collections,**  
**Last Ten Fiscal Years**  
*Unaudited*

| Fiscal<br>Year<br>Ended<br>June 30, | Taxes Levied<br>for the Fiscal<br>Year | Collected within the Fiscal Year of<br>the Levy |                       | Collections in<br>Subsequent<br>Years |
|-------------------------------------|--|---|-----------------------|---------------------------------------|
|                                     |  | Amount  | Percentage<br>of Levy |                                       |
| 2009                                | 1,902,167.00                           | 1,902,167.00                                    | 100%                  | -                                     |
| 2010                                | 1,978,253.00                           | 1,978,253.00                                    | 100%                  | -                                     |
| 2011                                | 2,355,700.00                           | 2,355,700.00                                    | 100%                  | -                                     |
| 2012                                | 2,700,912.00                           | 2,700,912.00                                    | 100%                  | -                                     |
| 2013                                | 2,808,895.00                           | 2,808,895.00                                    | 100%                  | -                                     |
| 2014                                | 2,905,679.00                           | 2,905,679.00                                    | 100%                  | -                                     |
| 2015                                | 3,155,597.00                           | 3,155,597.00                                    | 100%                  | -                                     |
| 2016                                | 3,227,352.00                           | 3,227,352.00                                    | 100%                  | -                                     |
| 2017                                | 3,195,352.00                           | 3,195,352.00                                    | 100%                  | -                                     |
| 2018                                | 3,271,626.00                           | 3,271,626.00                                    | 100%                  | -                                     |

Source: District records including the Certificate and Report of School Taxes (A4F form)

**Note:** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in is the amount voted upon or certified prior to the end of the school year.

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**Unaudited**

| Fiscal Year Ended June 30, | Governmental Activities  |                               |                | Business-Type Activities       |                |                          | Total District | Percentage of Personal Income <sup>a</sup> | Per Capita <sup>a</sup> |
|----------------------------|--------------------------|-------------------------------|----------------|--------------------------------|----------------|--------------------------|----------------|--|-------------------------|
|                            | General Obligation Bonds | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | Capital Leases | Business-Type Activities |                |  |                         |
| 2009                       | 9,992,397                | -                             | -              | -                              | -              | -                        | 9,992,397      | 5.829%                                     | 2,282                   |
| 2010                       | 9,750,933                | -                             | -              | -                              | -              | -                        | 9,750,933      | 5.807%                                     | 2,291                   |
| 2011                       | 20,000,000               | -                             | -              | -                              | -              | -                        | 20,000,000     | 11.387%                                    | 4,694                   |
| 2012                       | 9,241,088                | -                             | -              | -                              | -              | -                        | 9,241,088      | 5.196%                                     | 2,173                   |
| 2013                       | 8,972,194                | -                             | -              | -                              | -              | -                        | 8,972,194      | 5.078%                                     | 2,113                   |
| 2014                       | 8,693,577                | -                             | -              | -                              | -              | -                        | 8,693,577      | 4.709%                                     | 2,040                   |
| 2015                       | 8,400,000                | -                             | -              | -                              | -              | -                        | 8,400,000      | 4.643%                                     | 1,985                   |
| 2016                       | 8,100,000                | -                             | -              | -                              | -              | -                        | 8,100,000      | 5.347%                                     | 1,933                   |
| 2017                       | 7,725,000                | -                             | -              | -                              | -              | -                        | 7,725,000      | 4.216%                                     | 1,851                   |
| 2018                       | 7,350,000                | -                             | -              | -                              | -              | -                        | 7,350,000      | 3.979%                                     | 1,761                   |

Source: District CAFR Schedules I-1, I-2

**Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.**

**a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

See Accompanying Auditor's Report

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
*Unaudited*

| General Bonded Debt Outstanding     |                                |            |   |   |                         |
|-------------------------------------|--------------------------------|------------|---|---|-------------------------|
| Fiscal<br>Year<br>Ended<br>June 30, | General<br>Obligation<br>Bonds | Deductions | Net General<br>Bonded Debt<br>Outstanding | Percentage of<br>Actual Taxable<br>Value a of<br>Property | Per Capita <sup>b</sup> |
| 2009                                | 9,750,933                      | -          | 9,750,933                                 | 3.26%   | 2,227                   |
| 2010                                | 9,500,596                      | -          | 9,500,596                                 | 3.09%   | 2,232                   |
| 2011                                | 9,241,088                      | -          | 9,241,088                                 | 3.23%   | 2,169                   |
| 2012                                | 8,972,194                      | -          | 8,972,194                                 | 3.48%   | 2,110                   |
| 2013                                | 8,693,577                      | -          | 8,693,577                                 | 3.41%   | 2,047                   |
| 2014                                | 8,400,000                      | -          | 8,400,000                                 | 3.52%   | 1,971                   |
| 2015                                | 8,100,000                      | -          | 8,100,000                                 | 3.38%   | 1,914                   |
| 2016                                | 7,790,000                      | -          | 7,790,000                                 | 3.61%   | 1,859                   |
| 2017                                | 7,725,000                      | -          | 7,725,000                                 | 3.33%   | 1,851                   |
| 2018                                | 7,350,000                      | -          | 7,350,000                                 | 3.45%   | 1,761                   |

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.



**EGG HARBOR CITY SCHOOL DISTRICT**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2018**  
*Unaudited*

| <u>Governmental Unit</u>                       | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable<sup>a</sup></u> | <u>Estimated Share of Overlapping Debt</u> |
|--|-------------------------|--|--|
| <b>Debt repaid with property taxes</b>         |                         |  |  |
| Egg Harbor City                                | 4,011,919.66            | 100.00%  | 4,011,919.66                               |
| <b>Other debt</b>                              |                         |  |  |
| Greater Egg Harbor Regional School District    | 46,966,000.00           | 4.07%  | 1,909,732.00                               |
| Atlantic County                                | 155,902,988.00          | 0.70%  | 1,094,340.00                               |
| Subtotal, overlapping debt                     |                         |  | 7,015,991.66                               |
| <b>Egg Harbor City of School District debt</b> | 7,350,000.00            | 100.00%  | 7,350,000.00                               |
| <b>Total direct and overlapping debt</b>       |                         |  | <u><u>14,365,991.66</u></u>                |

**Sources:** Egg Harbor City Finance Officer, Atlantic County Finance Office

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Egg Harbor City. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.



**EGG HARBOR CITY SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
*Unaudited*

| Year | Population <sup>a</sup> | Personal<br>Income<br>(thousands of<br>dollars) <sup>b</sup> | Per Capita<br>Personal<br>Income <sup>c</sup> | Unemployment<br>Rate <sup>d</sup> |
|------|-------------------------|--|---|-----------------------------------|
| 2009 | 4,378                   | 171,412  | 38,348  | 8.70%                             |
| 2010 | 4,257                   | 167,908  | 38,305  | 18.40%                            |
| 2011 | 4,261                   | 175,645  | 39,718  | 18.80%                            |
| 2012 | 4,253                   | 177,854  | 40,453  | 19.00%                            |
| 2013 | 4,246                   | 176,676  | 40,848  | 19.80%                            |
| 2014 | 4,261                   | 184,611  | 41,945  | 18.40%                            |
| 2015 | 4,232                   | 180,900  | 42,974  | 10.60%                            |
| 2016 | 4,191                   | 151,493  | 44,254  | 9.90%                             |
| 2017 | 4,174                   | 183,213  | 44,254  | 9.20%                             |
| 2018 | 4,174                   | 184,716  | 44,254  | 8.70%                             |

**Source:**

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income is calculated by multiplying per capita income by the population

c Per Capita Income based on Census Bureau midyear population estimates. Estimates for 2010-2015 reflect county population estimates available as of March 2016.

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Principal Employers,**  
**Current Year and Nine Years Ago**  
*Unaudited*

| Employer | 2018      |                 |                                | 2009      |                 |                                |
|----------|-----------|-----------------|--------------------------------|-----------|-----------------|--------------------------------|
|          | Employees | Rank (Optional) | Percentage of Total Employment | Employees | Rank (Optional) | Percentage of Total Employment |
|          |           |                 |                                |           |                 |                                |
|          |           |                 |                                |           |                 |                                |

*This information is not available for this district.*

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**  
*Unaudited*

| <u>Function/Program</u>                | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction                            |              |              |              |              |              |              |              |              |              |              |
| Regular                                | 45.2         | 38.2         | 35.2         | 30.4         | 30.4         | 29.7         | 31.8         | 32.8         | 32.1         | 31.6         |
| Special education                      | 13.0         | 16.0         | 21.0         | 26.6         | 26.6         | 25.6         | 24.6         | 24.8         | 24.8         | 27.4         |
| Support Services:                      |              |              |              |              |              |              |              |              |              |              |
| Student & instruction related services | 21.0         | 27.0         | 17.0         | 15.7         | 15.7         | 15.7         | 13.7         | 11.5         | 13.7         | 13.8         |
| General administrative services        | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 1.5          | 1.5          | 1.5          | 1.5          |
| School administrative services         | 6.0          | 6.0          | 6.0          | 6.0          | 6.0          | 6.0          | 5.5          | 5.5          | 5.5          | 5.5          |
| Business administrative services       | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          |
| Plant operations and maintenance       | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          |
| <b>Total</b>                           | <b>97.20</b> | <b>99.20</b> | <b>91.20</b> | <b>90.70</b> | <b>90.70</b> | <b>89.00</b> | <b>87.10</b> | <b>86.10</b> | <b>87.60</b> | <b>89.80</b> |

GASB requires this table to present the full-time equivalent district employees by function/program for the current year and the previous nine years, however only nine years information was available.

**Source: District Personnel Records**

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**  
*Unaudited*

| Fiscal Year | Enrollment | Operating Expenditures <sup>a</sup> | Cost Per Pupil | Percentage Change | Teaching Staff <sup>b</sup> | Pupil/Teacher Ratio |               | Average Daily Enrollment (ADE) <sup>c</sup> | Average Daily Attendance (ADA) <sup>c</sup> | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|----------------|-------------------|-----------------------------|---------------------|---------------|---|---|--------------------------------------|-------------------------------|
|             |            |                                     |                |                   |                             | Elementary          | Middle School |   |   |                                      |                               |
| 2009        | 479        | 9,219,449                           | 19,247         | 1.70%             | 97                          | 12:1                | 9:1           | 479   | 458   | -2.04%                               | 95.62%                        |
| 2010        | 497        | 8,882,269                           | 17,872         | -7.15%            | 83                          | 7:1                 | 7:1           | 473   | 444   | -1.25%                               | 93.87%                        |
| 2011        | 477        | 9,104,887                           | 19,088         | 6.80%             | 72                          | 9:1                 | 7:1           | 466   | 437   | -1.48%                               | 93.78%                        |
| 2012        | 489        | 9,292,972                           | 19,004         | -0.44%            | 63                          | 10:1                | 7:1           | 489   | 457   | 4.94%                                | 93.46%                        |
| 2013        | 492        | 9,740,520                           | 19,798         | 4.18%             | 64                          | 9:1                 | 7:1           | 491   | 458   | 0.41%                                | 93.28%                        |
| 2014        | 491        | 9,756,564                           | 19,871         | 0.37%             | 61                          | 8:1                 | 8:1           | 493   | 463   | 0.40%                                | 94.02%                        |
| 2015        | 503        | 10,321,808                          | 20,520         | 3.27%             | 61                          | 11:01               | 10:01         | 505   | 474   | 2.44%                                | 93.86%                        |
| 2016        | 527        | 10,613,398                          | 20,139         | -1.86%            | 58                          | 9:1                 | 9:1           | 511   | 479   | 1.19%                                | 93.74%                        |
| 2017        | 501        | 10,468,077                          | 20,894         | 5.15%             | 57                          | 8:1                 | 10:1          | 495   | 463   | -3.13%                               | 93.54%                        |
| 2018        | 534        | 10,663,950                          | 19,970         | -2.68%            | 54                          | 10:1                | 10:1          | 540   | 507   | 9.09%                                | 93.89%                        |

**Sources:** District records, ASSA and Schedules J-12, J-14

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**EGG HARBOR CITY SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**  
*Unaudited*

| <u>District Building</u>           | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b><u>Elementary</u></b>           |        |        |        |        |        |        |        |        |        |        |
| Charles L. Spragg School (1955)    | 40,654 | 40,654 | 44,718 | 44,718 | 44,718 | 44,718 | 44,718 | 44,718 | 44,718 | 44,718 |
| Square Feet                        | 317    | 317    | 326    | 326    | 326    | 326    | 326    | 326    | 326    | 326    |
| Capacity (students)                | 299    | 299    | 222    | 268    | 265    | 254    | 272    | 292    | 259    | 277    |
| Enrollment                         |        |        |        |        |        |        |        |        |        |        |
| <b><u>Middle School</u></b>        |        |        |        |        |        |        |        |        |        |        |
| Egg Harbor Community School (2010) |        |        | 61,954 | 61,954 | 61,954 | 61,954 | 61,954 | 61,954 | 61,954 | 61,954 |
| Square Feet                        |        |        | 343    | 343    | 343    | 343    | 343    | 343    | 343    | 343    |
| Capacity (students)                |        |        | 240    | 221    | 226    | 237    | 233    | 235    | 235    | 263    |
| Enrollment                         |        |        |        |        |        |        |        |        |        |        |
| Fanny D. Rittenberg School (1923)  | 40,458 | 40,458 | -      | -      | -      | -      | -      | -      | -      | -      |
| Square Feet                        | 282    | 282    | -      | -      | -      | -      | -      | -      | -      | -      |
| Capacity (students)                | 180    | 180    | -      | -      | -      | -      | -      | -      | -      | -      |
| Enrollment                         |        |        |        |        |        |        |        |        |        |        |
| <b><u>Other</u></b>                |        |        |        |        |        |        |        |        |        |        |
| Administration Building            | 2,300  | 2,300  | -      | -      | -      | -      | -      | -      | -      | -      |
| Square Feet                        |        |        |        |        |        |        |        |        |        |        |

Number of District Buildings at June 30, 2018  
 Elementary = 1  
 Middle School = 1

**Source: District records, ASSA**  
 Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

**EGG HARBOR CITY SCHOOL DISTRICT**  
**General Fund**  
**Schedule of Required Maintenance for School Facilities**  
**Last Ten Years**  
**Unaudited**

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-XXX

|                         | 2018          | 2017       | 2016       | 2015       | 2014       | 2013       | 2012       | 2011       | 2010       | 2009       |
|-------------------------|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| School Facilities       |               |            |            |            |            |            |            |            |            |            |
| Elementary School       | \$ 74,686.49  | 90,186.63  | 71,988.20  | 94,502.81  | 70,077.04  | 93,638.00  | 88,995.00  | 81,520.00  | 89,971.00  | 84,265.00  |
| Middle School           | 141,628.14    | 131,200.95 | 147,867.46 | 140,840.25 | 125,857.96 | 77,060.00  | 87,455.00  | 69,620.00  | 49,075.00  | 48,492.00  |
| Total School Facilities | 216,314.63    | 221,387.58 | 219,855.66 | 235,343.06 | 195,935.00 | 170,698.00 | 176,450.00 | 151,140.00 | 139,046.00 | 132,757.00 |
| Other Facilities        |               |            |            |            |            |            |            |            | 6,689.00   | 6,049.00   |
| Grand Total             | \$ 216,314.63 | 221,387.58 | 219,855.66 | 235,343.06 | 195,935.00 | 170,698.00 | 176,450.00 | 151,140.00 | 145,735.00 | 138,806.00 |



**EGG HARBOR CITY SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2018**  
**Unaudited**

|  | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| School Package Policy                              |                 |                   |
| Property - Blanket Building & Contents             | 175,000,000     | 500               |
| ACCASBO JIF Self-Insured Retention, per occurrence | 250,000         |                   |
| Comprehensive General Liability and Automobile     | 20,000,000      |                   |
| ACCASBO JIF Self-Insured Retention                 | 250,000         |                   |
| Comprehensive Crime Coverage                       | 500,000         | 500               |
| ACCASBO JIF Self-Insured Retention                 | 250,000         |                   |
| Boiler and Machinery - ACCASBOJIF                  |                 |                   |
| Property Damage                                    | 125,000,000     | 1,000             |
| Crime Liability - ACCASBOJIF                       | 500,000         | 500               |
| ACCASBO JIF Self-Insured Retention                 | 250,000         |                   |
| Workers; Compensation - ACCASBOJIF                 |                 |                   |
| Coverage A   | Statutory       |                   |
| ACCASBO JIF Self-Insured Retention                 | 250,000         |                   |
| Educator's Legal Liability - ACCASBOJIF            | 20,000,000      |                   |
| ACCASBO JIF Self-Insured Retention                 | 175,000         |                   |
| Pollution Legal Liability                          | 3,000,000       |                   |
| Pollution Incident                                 |                 | 25,000            |
| Mold Incident                                      |                 | 100,000           |
| Cyber Liability                                    | 1,000,000       | 25,000            |
| Violent Malicious Acts                             | 1,000,000       | 15,000            |
| Disaster Management Services                       | 2,000,000       | 15,000            |

The Board of Education is a member of the Atlantic and Cape May Counties School Business Officials Joint Insurance Fund (ACCASBOJIF), which is formed under the provisions of NJSA 18A:18B 1-10. The ACCASBOJIF was formed by its member districts to provide a long-term alternative to the conventional insurance market as a means of stabilizing the otherwise cyclical nature of insurance expenditures. It achieves this goal by pooling together members' resources, deciding on what insurance coverage's it will offer and/or purchase and at what retention, and by hiring professionals to help run the Fund.

Source: District Records.

See Accompanying Auditor's Report

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## **Single Audit Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit K-1

## Independent Auditor's Report

The Honorable President and  
Members of the Board of Education  
Egg Harbor City School District  
County of Atlantic  
Egg Harbor City, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor City School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Egg Harbor City School District's basic financial statements, and have issued our report thereon dated January 24, 2019.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Egg Harbor City School District's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Egg Harbor City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Egg Harbor City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an

opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

*Ford, Scott & Associates, L.L.C.*

**FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

**Leon P. Costello  
Certified Public Accountant  
Licensed Public School Accountant  
No. 767**

**January 24, 2019**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

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Exhibit K-2

## Independent Auditor's Report

Honorable President and  
Members of the Board of Education  
Egg Harbor City School District  
County of Atlantic, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Egg Harbor City School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Egg Harbor City School District's major federal and state programs for the year ended June 30, 2018. The Egg Harbor City School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Egg Harbor City School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Uniform Guidance, and New Jersey OMB 15-08 *State Aid/Grant Compliance Supplement*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Egg Harbor City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Egg Harbor City School District's compliance.

#### ***Opinion on Each Major Federal and State Program***

In our opinion, the Egg Harbor City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018.

## Report on Internal Control Over Compliance

Management of the Egg Harbor City School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Egg Harbor City School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Egg Harbor City School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Very truly yours,

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*  
**Leon P. Costello**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 767**

**January 24, 2019**



**Egg Harbor City School District**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended June 30, 2018**

| Federal CFDA Number                           | Federal Grant/Pass-Through Grantor/Program Title           | Federal FEIN Number | Grant or State Project Number | Grant Period   | Award Amount    | Accounts Receivable June 30, 2017 | Unexamined Revenue June 30, 2017 | Carryover/(Waiver) Amount | Cash Received | Budget Expenditures |        |       | Repayment of Prior Year's Balances | Accounts Receivable | Balance at June 30, 2018 |
|---|--|---------------------|-------------------------------|----------------|-----------------|-----------------------------------|----------------------------------|---------------------------|---------------|---------------------|--------|-------|------------------------------------|---------------------|--------------------------|
|   |  |                     |                               |                |                 |                                   |                                  |                           |               | Passed Through      | Direct | Total |                                    |                     |                          |
| U.S. Department of Agriculture                |  |                     |                               |                |                 |                                   |                                  |                           |               |                     |        |       |                                    |                     |                          |
| Passed-through State Department of Education: |  |                     |                               |                |                 |                                   |                                  |                           |               |                     |        |       |                                    |                     |                          |
| 10.555  | Enterprise Fund - Program                                  | 17 NLS00N1090       | N/A                           | 7/1/17-6/30/18 | 92,597.95       |                                   | \$                               |                           | 92,597.95     | (92,597.95)         |        |       |                                    |                     |                          |
| 10.553  | School Breakfast Program                                   | 1811NLS00N1099      | N/A                           | 7/1/17-6/30/18 | 136,658.74      |                                   |                                  |                           | 136,658.74    | (136,658.74)        |        |       |                                    | (8,653.61)          |                          |
| 10.555  | School Breakfast Program                                   | 17 NLS00N1099       | N/A                           | 7/1/16-6/30/17 | 117,527.78      | (5,302.94)                        |                                  |                           | 122,830.72    |                     |        |       |                                    | (14,448.83)         |                          |
| 10.555  | National School Lunch Program                              | 1811NLS00N1099      | N/A                           | 7/1/17-6/30/18 | 206,838.63      | (7,490.58)                        |                                  |                           | 199,348.05    | (206,838.63)        |        |       |                                    |                     |                          |
| 10.555  | National School Lunch Program                              | 17 NLS00N1099       | N/A                           | 7/1/16-6/30/17 | 184,732.78      | (2,170.76)                        |                                  |                           | 182,562.02    |                     |        |       |                                    |                     |                          |
| 10.555  | National School Lunch Program                              | 1811NLS00N1099      | N/A                           | 7/1/17-6/30/18 | 2,020.48        |                                   |                                  |                           | 2,020.48      | (2,020.48)          |        |       |                                    |                     |                          |
|   | Total Enterprise Fund                                      |                     |                               |                | 14,364.26       |                                   |                                  |                           | 365,395.92    | (387,725.10)        |        |       |                                    | (24,303.44)         |                          |
| 93.778  | U.S. Department of Education General Fund                  | 1805NLSMAP          | N/A                           | 7/1/17-6/30/18 | 46,056.31       |                                   |                                  |                           | 46,056.31     | (46,056.31)         |        |       |                                    |                     |                          |
|   | Total General Fund   |                     |                               |                | 46,056.31       |                                   |                                  |                           | 46,056.31     | (46,056.31)         |        |       |                                    |                     |                          |
| Passed-through State Department of Education: |  |                     |                               |                |                 |                                   |                                  |                           |               |                     |        |       |                                    |                     |                          |
| 84.000A                                       | Special Revenue Fund:                                      | S010A170030         | NCLB18                        | 7/1/17-6/30/18 | 315,235.00      |                                   | 145.35                           |                           | 306,325.00    | (307,120.35)        |        |       |                                    | (84.35)             |                          |
| 84.000A                                       | Title I, Part A  | S010A170030         | NCLB18                        | 7/1/17-6/30/18 | 287,882.00      | (0.44)                            |                                  |                           | 287,881.56    | (287,881.56)        |        |       |                                    |                     |                          |
| 84.000A                                       | Title I, Part B  | S010A170030         | NCLB18                        | 7/1/17-6/30/18 | 287,882.00      |                                   |                                  | 0.44                      | 287,882.44    | (287,882.44)        |        |       |                                    |                     |                          |
| 84.013A                                       | Title I, Part D  | S013A170030         | NCLB18                        | 7/1/17-6/30/18 | 125,768.00      |                                   |                                  |                           | 125,768.00    | (125,768.00)        |        |       |                                    | (8,083.67)          |                          |
| 84.013A                                       | Title I, Part D  | S013A160030         | NCLB17                        | 7/1/16-6/30/17 | 108,594.00      | (8,212.80)                        |                                  |                           | 100,381.20    | (108,594.00)        |        |       |                                    | (6,733.03)          |                          |
| 84.013A                                       | Title I, Part D  | S013A140030         | NCLB15                        | 7/1/14-6/30/15 | 83,617.00       | (7,655.76)                        |                                  |                           | 76,961.24     | (83,617.00)         |        |       |                                    |                     |                          |
| 84.010A                                       | Title I, Part D, SEA                                       | S010A170030         | NCLB16                        | 7/1/17-6/30/18 | 75,160.00       |                                   | 145.35                           |                           | 75,305.35     | (75,160.00)         |        |       |                                    | (15,621.05)         |                          |
|   | Total NCLB, Title I  |                     |                               |                | 25,179.00       |                                   |                                  |                           | 25,179.00     | (25,179.00)         |        |       |                                    |                     |                          |
| 84.367A                                       | Title I(A), Innovative Program                             | S367A170029         | NCLB18                        | 7/1/17-6/30/18 | 167,434.00      |                                   |                                  |                           | 167,434.00    | (167,434.00)        |        |       |                                    |                     |                          |
| 84.027  | LDE A, Part B - Basic                                      | H027A170100         | IDEA18                        | 7/1/17-6/30/18 | 8,297.00        |                                   |                                  |                           | 8,297.00      | (8,297.00)          |        |       |                                    |                     |                          |
| 84.173  | LDE A, Part B - Preschool                                  | H173A170114         | IDEA18                        | 7/1/17-6/30/18 | 8,383.00        |                                   |                                  |                           | 8,383.00      | (8,383.00)          |        |       |                                    |                     |                          |
| 84.173  | LDE A, Part B - Preschool                                  | H173A160114         | IDEA17                        | 7/1/16-6/30/17 | 1,672.00        | (1,672.00)                        |                                  |                           | 0.00          | (1,672.00)          |        |       |                                    |                     |                          |
|   | Total IDEA Part B  |                     |                               |                | 16,762.00       |                                   |                                  |                           | 16,762.00     | (16,762.00)         |        |       |                                    |                     |                          |
| 84.297C                                       | After School Learning Centers (21st Century)               | S297C170030         | N/A                           | 9/1/17-8/31/18 | 350,000.00      |                                   |                                  |                           | 289,355.00    | (287,795.61)        |        |       |                                    | 1,559.39            |                          |
| 84.297C                                       | After School Learning Centers (21st Century)               | S297C160030         | N/A                           | 9/1/16-8/31/17 | 325,000.00      | 29,564.51                         |                                  |                           | 24,861.00     | (53,625.51)         |        |       |                                    |                     |                          |
| 84.297C                                       | After School Learning Centers (21st Century)               | S297C150030         | N/A                           | 9/1/15-8/31/16 | 330,000.00      | (7,165.52)                        |                                  |                           | 22,885.00     | (25,046.62)         |        |       |                                    | (1,179.62)          |                          |
| 84.297C                                       | After School Learning Centers (21st Century)               | S297C140030         | N/A                           | 9/1/14-8/31/15 | 161,000.00      | (46,205.25)                       |                                  |                           | 10,885.00     | (9,341.38)          |        |       |                                    |                     |                          |
| 84.297C                                       | After School Learning Centers (21st Century)               | S297C130030         | N/A                           | 9/1/13-8/31/14 | 161,000.00      |                                   |                                  |                           | 348,289.00    | (376,727.12)        |        |       |                                    | (1,179.62)          |                          |
|   | ARRA Race To The Top Preschool Development Grant-Expansion | S418B150020         | N/A                           | 7/1/17-6/30/18 | 258,944.00      |                                   |                                  |                           | 243,237.00    | (245,572.47)        |        |       |                                    | (2,305.14)          |                          |
|   | ARRA Race To The Top Preschool Development Grant-Expansion | S418B140020         | N/A                           | 7/1/16-6/30/17 | 222,868.00      |                                   |                                  |                           | 3,677.67      | (245,572.47)        |        |       |                                    | (2,305.14)          |                          |
|   | Total Preschool Development Expansion                      |                     |                               |                | 3,677.67        |                                   |                                  |                           | 3,677.67      | (3,677.67)          |        |       |                                    |                     |                          |
|   | Total Special Revenue Fund                                 |                     |                               |                | 1,194,337.67    | (21,965.59)                       |                                  |                           | 1,194,337.67  | (1,208,623.98)      |        |       |                                    | (19,105.91)         |                          |
|   | Total Federal Financial Awards                             |                     |                               |                | \$ 1,588,749.90 | 29,709.86                         |                                  |                           | 1,588,749.90  | (1,577,354.09)      |        |       |                                    | (43,409.25)         |                          |

The accompanying notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this statement.

Egg Harbor City School District  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year ended June 30, 2018

| State Grant/Program Title  | Grant or State Project Number | Grant Period   | Award Amount  | Balance at June 30, 2017             |                | Carryover/ (Waiver) Amount | Cash Received | Budgetary Expenditures | Adjustment | Repayment of Prior Years Balances | Balance at June 30, 2018 |                  | MEMO Cumulative Total Expenditures |
|--|-------------------------------|----------------|---------------|--------------------------------------|----------------|----------------------------|---------------|------------------------|------------|-----------------------------------|--------------------------|------------------|------------------------------------|
|  |                               |                |               | Deferred Revenue/ (Accts Receivable) | Due to Grantor |                            |               |                        |            |                                   | (Accounts Receivable)    | Deferred Revenue |                                    |
| <b>State Department of Education</b>   |                               |                |               |                                      |                |                            |               |                        |            |                                   |                          |                  |                                    |
| General Fund:  |                               |                |               |                                      |                |                            |               |                        |            |                                   |                          |                  |                                    |
| Categorical Special Education Aid  | 18-495-034-5120-089           | 7/1/17-6/30/18 | 267,087.00 \$ | -                                    | -              | -                          | 241,358.28    | (267,087.00)           | -          | -                                 | -                        | 25,728.72        | 267,087.00                         |
| Equalization Aid   | 18-495-034-5120-078           | 7/1/17-6/30/18 | 4,851,560.00  | -                                    | -              | -                          | 4,474,572.04  | (4,851,560.00)         | -          | -                                 | -                        | 476,987.96       | 4,851,560.00                       |
| Security Aid   | 18-495-034-5120-084           | 7/1/17-6/30/18 | 43,161.00     | -                                    | -              | -                          | 39,003.26     | (43,161.00)            | -          | -                                 | -                        | 4,157.74         | 43,161.00                          |
| Per Pupil Growth Aid   | 18-495-034-5120-097           | 7/1/17-6/30/18 | 4,775.00      | -                                    | -              | -                          | 4,315.02      | (4,775.00)             | -          | -                                 | -                        | 459.98           | 4,775.00                           |
| PARCC-Readiness  | 18-495-034-5120-088           | 7/1/17-6/30/18 | 4,775.00      | -                                    | -              | -                          | 4,315.02      | (4,775.00)             | -          | -                                 | -                        | 459.98           | 4,775.00                           |
| Host District Support Aid  | 18-495-034-5120-098           | 7/1/17-6/30/18 | 4,775.00      | -                                    | -              | -                          | 4,315.02      | (4,775.00)             | -          | -                                 | -                        | 459.98           | 4,775.00                           |
| Host District Support Aid  | 18-495-034-5120-102           | 7/1/17-6/30/18 | 230.00        | -                                    | -              | -                          | 198.81        | (230.00)               | -          | -                                 | -                        | 21.19            | 230.00                             |
| Total State Aid Public Cluster   |                               |                |               |                                      |                |                            | 4,768,118.12  | (5,276,398.00)         | -          | -                                 | -                        | 508,278.85       | 5,276,398.00                       |
| Transportation Aid   | 18-495-034-5120-014           | 7/1/17-6/30/18 | 24,822.00     | -                                    | -              | -                          | 24,822.00     | (24,822.00)            | -          | -                                 | -                        | 2,391.12         | 24,822.00                          |
| Extraordinary Aid  | 18-495-034-5120-044           | 7/1/17-6/30/18 | 25,140.00     | -                                    | -              | -                          | 8,123.00      | (25,140.00)            | -          | -                                 | -                        | 17,017.00        | 25,140.00                          |
| Additional Nonpublic School Transportation Aid                               | 17-495-034-5120-044           | 7/1/16-6/30/17 | 8,123.00      | (8,123.00)                           | -              | -                          | 8,123.00      | (4,060.00)             | -          | -                                 | -                        | 4,063.00         | 8,123.00                           |
| Additional Nonpublic School Transportation Aid                               | 17-495-034-5120-014           | 7/1/16-6/30/17 | 3,132.00      | (3,132.00)                           | -              | -                          | 2,221.75      | (3,132.00)             | -          | -                                 | -                        | 909.25           | 3,132.00                           |
| Lead Testing for Schools Aid   | 18-495-034-5120-104           | 7/1/17-6/30/18 | 2,221.75      | (2,221.75)                           | -              | -                          | 2,221.75      | -                      | -          | -                                 | -                        | 2,221.75         | 2,221.75                           |
| Reimbursed TPAF Social Security Contributions                                | 18-495-034-5094-003           | 7/1/17-6/30/18 | 298,930.41    | (1,513.34)                           | -              | -                          | 297,339.04    | (298,930.41)           | -          | -                                 | (1,591.37)               | 298,930.41       | 298,930.41                         |
| Reimbursed TPAF Social Security Contributions                                | 17-495-034-5094-003           | 7/1/16-6/30/17 | 291,998.58    | -                                    | -              | -                          | 1,513.34      | (291,998.58)           | -          | -                                 | -                        | 291,998.58       | 291,998.58                         |
| On-Behalf Teachers' Pension and Annuity Fund                                 | 18-495-034-5094-002           | 7/1/17-6/30/18 | 595,259.00    | -                                    | -              | -                          | 595,259.00    | (595,259.00)           | -          | -                                 | -                        | 595,259.00       | 595,259.00                         |
| On-Behalf Teachers' Pension and Annuity Fund- Post Retirement/Medical        | 18-495-034-5094-001           | 7/1/17-6/30/18 | 394,465.00    | -                                    | -              | -                          | 394,465.00    | (394,465.00)           | -          | -                                 | -                        | 394,465.00       | 394,465.00                         |
| On-Behalf Teachers' Pension and Annuity Fund- Long-Term Disability Insurance | 18-495-034-5094-004           | 7/1/17-6/30/18 | 729.00        | -                                    | -              | -                          | 729.00        | (729.00)               | -          | -                                 | -                        | 729.00           | 729.00                             |
| Total General Fund   |                               |                |               | (14,990.09)                          | -              | -                          | 6,085,722.25  | (6,609,803.41)         | -          | -                                 | (30,791.37)              | 510,671.00       | 6,915,278.74                       |
| Special Revenue Fund:  |                               |                |               |                                      |                |                            |               |                        |            |                                   |                          |                  |                                    |
| Preschool Education Aid  | 18-495-034-5064-086           | 7/1/17-6/30/18 | 360,300.00    | -                                    | -              | -                          | 360,300.00    | (360,300.00)           | -          | -                                 | -                        | -                | 360,300.00                         |
| Total Special Revenue Fund   |                               |                |               |                                      |                |                            | 360,300.00    | (360,300.00)           | -          | -                                 | -                        | -                | 360,300.00                         |
| <b>State Department of Agriculture</b>                                       |                               |                |               |                                      |                |                            |               |                        |            |                                   |                          |                  |                                    |
| Enterprise Fund:   |                               |                |               |                                      |                |                            |               |                        |            |                                   |                          |                  |                                    |
| National School Lunch Program (State Share)                                  | 18-100-010-3590-023           | 7/1/17-6/30/18 | 3,831.44      | (137.83)                             | -              | -                          | 3,563.07      | (3,831.44)             | -          | -                                 | (268.37)                 | 3,831.44         | 3,831.44                           |
| National School Lunch Program (State Share)                                  | 17-100-010-3590-023           | 7/1/16-6/30/17 | 3,684.25      | -                                    | -              | -                          | 137.83        | -                      | -          | -                                 | -                        | 3,684.25         | 3,463.36                           |
| Total Enterprise Fund  |                               |                |               | (137.83)                             | -              | -                          | 3,701.00      | (3,831.44)             | -          | -                                 | (268.37)                 | 7,289.82         | 7,289.82                           |
| Total State Financial Assistance   |                               |                | \$            | (15,128.02)                          | -              | -                          | 6,449,723.25  | (6,973,834.85)         | -          | -                                 | (31,057.74)              | 510,671.00       | 7,282,859.56                       |
| Less On-Behalf TPAF Pension System Contributions                             |                               |                |               |                                      |                |                            |               | (980,455.00)           |            |                                   |                          |                  |                                    |
| Total for State Financial Assistance Major Program Determination             |                               |                | \$            |                                      |                |                            |               | (5,993,481.85)         |            |                                   |                          |                  |                                    |

The accompanying notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this statement.

**Egg Harbor City School District**  
**Notes to the Schedules of Financial Assistance**  
**June 30, 2018**

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal awards and state financial assistance activity of the Board of Education, Egg Harbor City School District. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance and NJ OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with NJSA 18A:22-44.2.

The net adjustment to reconcile from budgetary basis to GAAP basis is (\$31,325.00) for the general fund and \$0.00 for the special revenue fund. See the following schedule and Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and food service funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**Egg Harbor City School District  
Notes to the Schedules of Financial Assistance  
June 30, 2018**

|   | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Food<br/>Service<br/>Fund</u> | <u>Total</u>        |
|---|-------------------------|-------------------------------------|----------------------------------|---------------------|
| <b>State Assistance:</b>  |                         |                                     |                                  |                     |
| Actual amounts<br>(budgetary) "revenues"<br>from the Schedule of<br>Expenditures of State<br>Financial Assistance                       | \$6,609,803.41          | 360,300.00                          | 3,831.44                         | 6,973,934.85        |
| <br>Difference – budget to<br>"GAAP"  |                         |                                     |                                  |                     |
| State aid payment<br>recognized for GAAP<br>statements in the<br>current year,<br>previously recognized<br>for budgetary<br>purposes.   | 479,346.00              |                                     |                                  | 479,346.00          |
| <br>State aid payments<br>recognized for<br>budgetary purposes<br>not recognized for<br>GAAP statements until<br>the subsequent year.   | (510,671.00)            |                                     |                                  | (510,671.00)        |
| <br>Total State revenue as<br>reported on the<br>statement of revenues,<br>expenditures and<br>changes in fund<br>balances/net position | <u>\$6,578,478.41</u>   | <u>360,300.00</u>                   | <u>3,831.44</u>                  | <u>6,942,609.85</u> |

**Egg Harbor City School District  
Notes to the Schedules of Financial Assistance  
June 30, 2018**

|   | <u>General<br/>Fund</u> | <u>Special<br/>Revenue Fund</u> | <u>Food<br/>Service Fund</u> | <u>Total</u> |
|---|-------------------------|---------------------------------|------------------------------|--------------|
| <b>Local Assistance:</b>  |                         |                                 |                              |              |
| Actual amounts (budgetary)<br>"revenues" from the Schedule of<br>Expenditures of State Financial<br>Assistance  |                         | 7,767.61                        |                              | 7,767.61     |
| Difference – budget to "GAAP"<br>Grant accounting budgetary basis<br>differs from GAAP in that<br>encumbrances are recognized as<br>expenditures, and the related<br>revenue is recognized. |                         |                                 |                              |              |
| <hr/>   |                         |                                 |                              |              |
| Total local revenue as reported on<br>the statement of revenues,<br>expenditures and changes in fund<br>balances/net position   |                         | 7,767.61                        |                              | 7,767.61     |
| <hr/>   |                         |                                 |                              |              |
| <b>Federal Assistance:</b>  |                         |                                 |                              |              |
| Actual amounts (budgetary)<br>"revenues" from the Schedule of<br>Expenditures of Federal Awards   | 46,056.31               | 1,209,628.99                    | 367,725.10                   | 1,623,410.40 |
| Difference – budget to "GAAP"<br>Grant accounting budgetary basis<br>differs from GAAP in that<br>encumbrances are recognized as<br>expenditures, and the related<br>revenue is recognized. |                         |                                 |                              |              |
| <hr/>   |                         |                                 |                              |              |
| Total Federal revenue as reported<br>on the statement of revenue,<br>expenditures, and changes in fund<br>balances/net position   | \$46,056.31             | 1,209,628.99                    | 367,725.10                   | 1,623,410.40 |
| <hr/>   |                         |                                 |                              |              |

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2018. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.



**EGG HARBOR CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Part I -- Summary of Auditor's Results (cont'd)**

**State Awards Section**

- J) Internal Control over compliance:
- 1) Material weakness(es) identified? \_\_\_\_\_ yes     X     no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_\_\_ yes     X     no
- K) Type of auditor's report on compliance for major programs \_\_\_\_\_ Unmodified \_\_\_\_\_
- L) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? \_\_\_\_\_ yes     X     no

M) Identification of major programs:

| <u>GMIS Number(s)</u> | <u>Name of State Program</u>        |
|-----------------------|-------------------------------------|
|                       | <b>State Aid - Public Cluster:</b>  |
| _____                 | _____                               |
| 18-495-034-5120-078   | Equalization Aid                    |
| _____                 | _____                               |
| 18-495-034-5120-089   | Categorical Special Education Aid   |
| _____                 | _____                               |
| 18-495-034-5120-084   | Categorical Security Aid            |
| _____                 | _____                               |
| 18-495-034-5120-097   | Per Pupil Growth Aid                |
| _____                 | _____                               |
| 18-495-034-5120-098   | PARCC Readiness                     |
| _____                 | _____                               |
| 18-495-034-5120-101   | Professional Learning Community Aid |
| _____                 | _____                               |
| 18-495-034-5120-102   | Host District Support Aid           |
| _____                 | _____                               |
| _____                 | _____                               |
| _____                 | _____                               |

- N) Dollar threshold used to determine Type A programs: \_\_\_\_\_     \$ 750,000.00     \_\_\_\_\_
- O) Auditee qualified as low-risk auditee? \_\_\_\_\_ yes     X     no \_\_\_\_\_ n/a

EGG HARBOR CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Exhibit K-6

*Part 2 – Schedule of Financial Statement Findings*

NONE

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

**FEDERAL AWARDS**

NONE

**STATE AWARDS**

NONE

**Financial Statement Findings:**

NONE

Exhibit K-7

**STATUS OF PRIOR YEAR FINDINGS**

NONE